

Exhibit A

WEATHER

Case 1:14-cv-01375-LEK-RFT Document 31-3 Filed 10/01/14 Page 26 of 33
22° 13°
Snow showers offer a wintry reminder
Details/A2

SUNDAY SPAC 2014
REAL ESTATE Kitchen islands for cooking and gathering/INSIDE

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ALBANY, NEW YORK ■ SUNDAY, FEBRUARY 12, 2012

Some experts say Keith Raniere, the guru behind an unusual training business, is really a cult leader

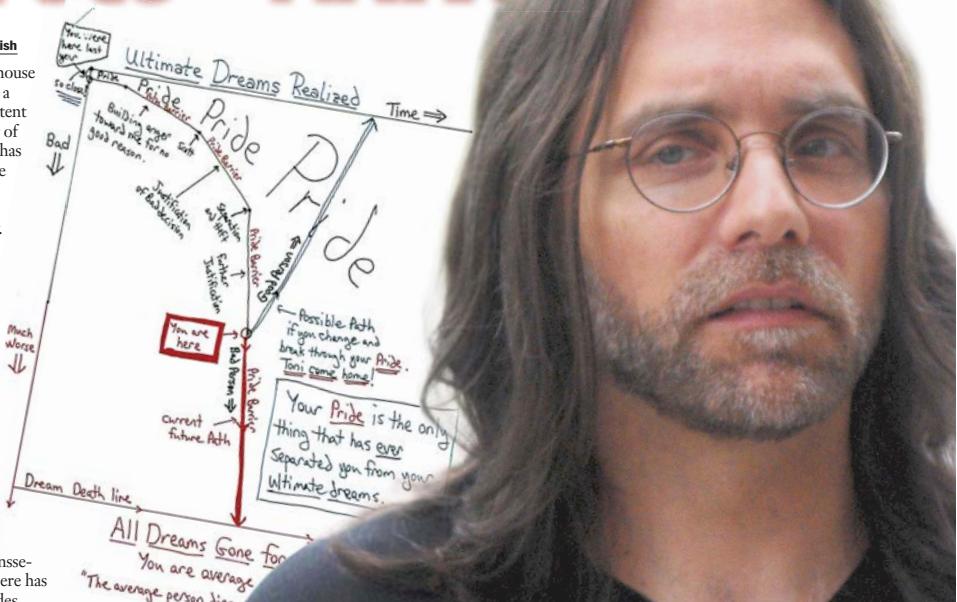
Secrets of NXIVM

By James M. Odatto and Jennifer Gish

In a Saratoga County townhouse complex, a man who wears a Jesus beard and seeks to patent his philosophies keeps a cluster of adoring women at his side. He has drawn more than 10,000 people to his mission of ethical living. But some disciples say he has delivered a much darker reality.

Keith Raniere, a multilevel-marketing businessman turned self-improvement guru, has peddled himself as a spiritual being to followers, most of them women. A close-knit group of these women has tended to him, paid his bills and shuttled him around. Several have satisfied his sexual needs. And a few have left their families behind to wrap him in their affections.

Claiming one of the world's highest IQs and holding three degrees from Rensselaer Polytechnic Institute, Raniere has evolved over the past two decades from the fresh-faced founder of



Please see NXIVM A6 ►

A VIEW of a diagram allegedly written by Keith Raniere and sent to Toni Natalie, a former girlfriend, after she left him. This document became part of the court record in Raniere's challenge to Natalie's case seeking credit protection in federal bankruptcy court.

This series

"Secrets of NXIVM: The untold story of Keith Raniere," is the result of a more-than-year-long examination of the self-improvement guru and conceptual founder of NXIVM, which has attracted students from Vancouver to Mexico but remains rooted in the Capital Region.

The reporting includes scores of interviews and a review of busi-

ness records, police reports and thousands of pages of court documents, which provide a window into Raniere's world, but it comes without an interview with the elusive Raniere, who did not respond to repeated attempts to get comment. It also lacks any response from the women who surround him and serve as NXIVM's lifeblood.

They, and the lawyers who represent the organization, have refused repeated requests to speak with them.

The four-part series — which details the grasp of mind, money and body Raniere has held over some followers — unfolds in print, online and with a special report for the iPad.

■ Today: An overview of Raniere and his unusual life.

■ Thursday: Relentless litigation wrought against NXIVM defectors.

■ Friday: Raniere's multilevel-marketing mind.

■ Sunday: A history of Raniere's sexual conquests.

On the Web

For more photos, detail, links to legal documents and interactive graphics, go to <http://timesunion.com>. All of the above is also available on the iPad special edition.

TIMES UNION PHOTO ILLUSTRATION

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After Irene, dark clouds remain

Depression and anxiety haunt many victims months later

By Bryan Fitzgerald

When Pam Young hears rain, the fear returns.

Five months ago, flood waters driven by Tropical Storm Irene chased Young and her 10-year-old son, Joey, to the roof of their Prattsville home. She held her tears then as she tried to convince him — and herself — that they would not die.

But now, it only takes a faint drizzle.

"If it rains, it just drums up the whole experience all over again," Young, 42, said. "I get sad. I cry."

The immediate impact of the storm was obvious: people died, homes and business were destroyed, roads and bridges were washed away. Signs of physical devastation were everywhere.

But for people who suffered

through the record-setting floods another problem soon surfaced: depression and anxiety.

Young and her son were rescued from the roof of their house eight hours after taking refuge there. The rescue crew tied a cable to a neighboring home to pull her and Joey to safety. The rescue, she said, was nearly as frightening as being marooned on top of the house.

Damage from the flood forced

Please see IRENE A8 ►



COURTESY OF PAM YOUNG

PAM YOUNG'S Prattsville home, shown here, was destroyed by Tropical Storm Irene last year. The physical destruction was only part of the storm's damage.

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He's the Vanguard, a supporter says in court

NXIVM

▼ CONTINUED FROM A1

Consumers' Buyline Inc., a buying club business investigated for being a pyramid scheme, into the 51-year-old intellectual commander of NXIVM, a Colonie-based company promising followers from Canada to Mexico it can "help transform and, ultimately, be an expression of the noble civilization of humans."

Raniere has convinced some followers he doesn't drive because his intellectual energy sets off radar detectors. He says his energy is drained if those around him disappoint or defect, former girlfriends have said. "He's the Vanguard," one of his key supporters testified in court, with the insistence and reverence of a child describing Santa Claus. Dozens of followers assemble annually near Lake George for Vanguard Week, a celebration of Raniere's birthday also considered a corporate retreat.

But Raniere's time here also has unfolded in a way that suggests more than a harmless God complex.

At least one cult expert said Raniere directs one of the most extreme cults he has ever studied and has likened Raniere to David Koresh, who most Americans link with images of a burning cult compound packed with women and children. Raniere has denied that NXIVM is a cult.

Other experts believe there is sufficient evidence for the New York Attorney General to investigate whether NXIVM — thought to have multimillion-dollar revenues — is an illegal multilevel-marketing business.

And some former followers have said it's expected you buy into Raniere's mission with money, mind and body. ■

Raniere "is a compulsive gambler, a sex addict with bizarre desires and needs, and a con man that specializes in Ponzi schemes," one of his former girlfriends, Toni Natalie, recently declared in federal court.

Since the 1990s, Raniere has attracted the attention of attorneys general in several states and the Securities and Exchange Commission. In 1996, he admitted no guilt but signed an agreement with the New York State Attorney General's Office promising he would not operate an illegal "chain distributor scheme" and pay a \$40,000 settlement. Since then, he has never been prosecuted by any state or federal agency, and he had only been sued once as of last month — a countersuit by a noted cult expert who claims NXIVM invaded his privacy.

Through the years, Raniere has remained a somewhat mysterious figure, but based on a yearlong investigation, including scores of interviews and a review of business records, police reports and court documents, the Times Union has uncovered troubling details about a man once considered a boy genius.

His several decades spent in the Capital Region have included what the Times Union has been told was the sexual manipulation of women and underage girls, murky financial dealings and relentless intimidation of people who have tried to break away or question the practices of NXIVM. But this assessment comes without a response from Raniere, who did not respond to repeated attempts to contact him, including certified and overnight letters sent to him and his last known attorney. He and the women who remain in



KEITH RANIERI in the mid-1990s in his office at National Health Outlet at the former Rome Plaza, Route 9, Clifton Park.

TONI NATALIE

Raniere's inner circle also did not respond to repeated requests for interviews and NXIVM's lawyers, including those at the prominent Albany firm of O'Connell and Aronowitz, which represents Raniere's financial backers, declined to speak to reporters.

Some former followers have become frightened by Raniere's growing power, fueled in large part by resources at the disposal of Clare and Sara Bronfman, NXIVM followers and heirs to the Seagram's fortune. Many have emerged broken, and a few are speaking out and spilling all into the court record, claiming the man who sold them enlightenment is really pitching something else. They're mostly women who have broken away from Raniere and NXIVM years ago, but their stories are believed to be telling of the way things still operate today. ■

Raniere was the only child of a Rockland County ballroom dance

instructor, who raised him mostly on her own even as she struggled with heart disease. She died while he was in college.

He was her young genius, mastering calculus by age 12 and transferring to Rockland Country Day School after he had exhausted his public school's curriculum.

A teacher recalled him as a strikingly bright student, known for challenging his instructors, particularly in math. He left the school at age 16 because he felt the curriculum was holding him back, and ended up at Rensselaer Polytechnic Institute in Troy, where he picked up bachelor's degrees in biology, physics and math, with minors in philosophy and psychology.

He is listed in the 1989 "Guinness Book of World Records" as being one of three people in an IQ group called Mega, a Mensa-like collection of geniuses requiring a minimum one-in-a-million IQ level and formed by philosopher and librarian Ronald K. Hoflin. Raniere once worked

as an Amway salesman, where he learned techniques he later used at Consumers' Buyline, a members-only buying club he boasted had grown to a \$100 million company by 1992.

He has claimed to have been an East Coast judo champion by age 12. In adulthood, he was once a dedicated weight lifter. He loves choral singing and leads regular volleyball matches with NXIVM followers.

Those who have known Raniere describe him as charismatic, a good listener and an engaging speaker.

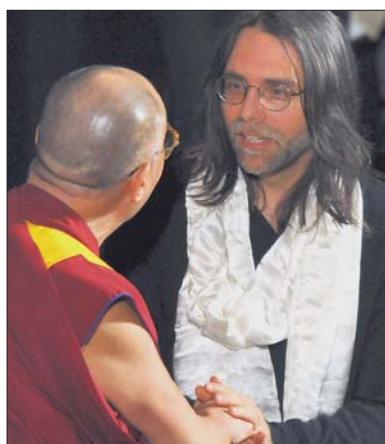
The evolving portrait of him through years reveals an unexpected charmer who has drawn countless people into investing in his projects, buying into his ideology and at times sliding into his bed.

Throughout most of the 1990s, Raniere ran Consumers' Buyline, a nationwide buying club, fueled by young employees willing to keep late hours with the idea they were part of something innovative and bound for success. He was spirited in video promotions for the company, but bore an awkward delivery, baby-faced and swallowed up by his suit jacket.

After the New York attorney general's investigation and after closing Consumers' Buyline, he began developing National Health Network in the mid-to-late-1990s. Soon, his hair was growing longer and his frame was filling out with bulging muscles. He explained the money-making potential of his new enterprise like a confident, polished salesman. One associate at the time recalls female recruits hanging on his words during training, erupting into adolescent giggles at his jokes.

In the years since, Raniere has traded hair trimmed at the neck for a shoulder-length look, and favored a beard, John Lennon-style glasses, sweatpants and untucked shirts. At times, he delivers New Agey lingo in soft, almost effeminate tones. ■

Across all these incarnations, he has been able to draw women in, making them feel special and easing their insecurities.



THE DALAI LAMA speaks with NXIVM co-founder Keith Ranieri onstage at the Palace Theatre in Albany in May 2009.

TIMES UNION ARCHIVE

ists — withdraw from it to show a nation can't survive when people aren't free to create. It emphasizes hands-off capitalism and puts forward Rand's philosophy of objectivism, which among other things holds that "the pursuit of [man's] own rational self-interest and of his own happiness is the highest moral purpose of his life."

Rand's ideas of celebrating sex and honoring effort are common themes in Raniere's dogma. In the NXIVM program, which Raniere has claimed as copyrighted and tried to patent, Raniere describes some people as "parasites," a term borrowed from Rand.

"All parasitic strategies lower self-esteem and therefore destroy value," Raniere wrote in his patent application. "It is our intent to rid the world of those things that destroy value. We can do this by modeling effort strategies with our own behavior and helping others learn to use them. This is spreading the mission."

NXIVM devotees admiringly refer to Raniere's concept of "mission."

And his group shares obvious similarities with other organizations propagating missions of self-improvement.

Many of the terms within NXIVM are similar to those in the Church of Scientology, a religious movement that has been called a cult — a label the Church of Scientology denies. As with Scientology founder L. Ron Hubbard, Raniere's ideas are labeled "technology." Those who are seen as disloyal to the group are dubbed "suppressives" and students move up a ladder of coursework meant to make them more successful in life and work. Long, involved sessions of guidance are called "intensives."

Rick Ross has been a cult tracker for more than 25 years. He has examined and spoken about NXIVM so extensively it spawned an ongoing federal lawsuit from Raniere for publicizing portions of NXIVM's training program. That legal battle with NXIVM, where he is countering, is entering its ninth year.

Ross has been qualified and accepted as an expert witness regarding cult and cultlike groups in the courts of 10 states and has been used by the federal government as a consultant. He has spent 50 to 100 hours talking with NXIVM members, he said, and additional time talking with ex-members, which is why he said he's confident in his view that Raniere is a cult leader. Ross has been retained by three former NXIVM members to help in deprogramming, and he has counseled several others, including one he said was sent into a psychotic episode from her NXIVM experience.

"In my opinion, NXIVM is one of the most extreme groups I have ever dealt with in the sense of how tightly wound it is around the leader, Keith Ranier," Ross said in an interview.

Ross was asked to provide insight on David Koresh to the federal government during the height of the Waco situation and says Raniere shows characteristics similar to Koresh.

Like the infamous leader of the Branch Davidians, Ross said, Raniere thinks he knows a way to reorder human existence, believes he is on the cutting edge of the new wave of the future, has followers who see him as a savior and uses his position of power to gain

Please see NXIVM A7 ▶

Raniere's 51 years

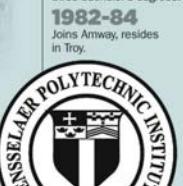
RPI graduate worked for the state, tried acting, had troubled business career, created NXIVM

The offices of NXIVM in 455 New Karner Road in Colonie

1960 Born in Brooklyn,

1968 Parents, James and Vera, break up.

1977 Graduates from Rockland County Day School, a private high school.
1978 Mother dies at age 47.
1982 Graduates Rensselaer Polytechnic Institute with three bachelor's degrees.
1982-84 Joins Amway, resides in Troy.



1984-85 Performs with RPI theater company, in the role of Pirelli in the musical Sweeney Todd.
1987 Resides with Karen Unterreiner at Halfmoon town house with Clifton Park address.

1988-89 Employed as \$32,600 a-year computer programmer, State Parole Board.
1989 Becomes salesman trainer for Prepaid Legal, a multilevel-marketing company.



1990 Opens Consumers' Buyline, a multilevel-marketing discount purchasing club, as its president.

1991 Signs consent order with partners Unterreiner and Pam Caffritz to settle New York attorney general's probe of Consumers' Buyline. Without admitting guilt, they agree to not promote, offer or grant participation in an illegal chain distribution scheme. Raniere agrees to pay a \$40,000 fine.



1994 Consumers' Buyline under investigation by several agencies nationwide, suspected of being a pyramid scheme.

1995-98 Plays a role in businesses owned by other people, including National Health Outlet.



1997 Meets nurse Nancy Salzman, self-described "psychotherapist," who runs International Center for Change. She says Raniere became her mentor, teaching her his method of "rational inquiry."

1998 Creates Executive Success Programs, based in Colonie, later to be named NXIVM, with Salzman as president; Unterreiner and Caffritz join.



1998-2011 Attracts some 10,000 students to ESP/NXIVM seminars and programs, opens international and Web-based centers. Allegedly directs tens of millions of dollars into risky commodity futures, losing investors' funds.

Sources: Court records, government documents, business records, interviews.



NXIVM

▼ CONTINUED FROM A6

sexual favors from women.

For more than a decade, Raniere has been surrounded by a group of adoring women. In the 1980s and 1990s, it's believed Raniere had sexual relationships with three underage women, according to Times Union interviews with those women and their close family members. One of the characteristics of cults commonly cited by experts is the predisposition of group leaders to use sex as a means of power and control. Ross, who had two mental health professionals review the NXIVM curriculum, said he believes followers of NXIVM undergo a "thought reform" or "brainwashing" and "the ability of people to independently think is largely compromised."

One woman who learned Raniere's ways was his former girlfriend Natalie, who has survived years of legal battles with him. She described her relationship with Raniere in a series of Times Union interviews. The first time she met Raniere, she said, he had noticed she'd gone outside for a cigarette and asked if she wanted to quit smoking. When she told him she did, Raniere took her into his office for what she thought was only 15 minutes. Her husband at the time told her afterward that she had been in the room with Raniere for 2 1/2 hours. She doesn't remember anything that happened during the session, but she didn't smoke again.

In attempts to get Natalie to change other behaviors, Ranieri later told her that in a previous life she was Heinrich Himmler, chief of Hitler's secret police in Nazi Germany, and NXIVM leaders were formerly Jewish victims.

When Ranieri's investments in the commodities market were failing to pan out despite his mathematical formula to conquer it, he told Barbara Bouchey, one of his investors, that her emotional reaction to losing money was influencing the universal forces and affecting him negatively on a spiritual level, Bouchey recalled in an October 2009 deposition and June 2010 sworn statement filed in federal court.

Through the years, Ranieri has shown an interest in hypnotism and neurolinguistic programming, a technique that identifies how people have been "programmed" to think and act and analyzes their words and body language in order to help them shed those beliefs.

Some who have been suspicious of Ranieri initially have

become strong supporters. Nancy Salzman, a regular client, first met Raniere in the 1990s and told Natalie she thought Raniere might be warped. Natalie said Salzman spent four days holed up with Raniere in his offices and emerged as his business partner.

Today, with Raniere's guidance and with Salzman as his No. 2 — devotees call her "Prefect" — NXIVM is a tightly controlled system. Members are ranked and assigned colored sashes, adopting something like a martial arts system Raniere learned as a boy. Students, also called "clients," are taught rules and rituals such as how to shake hands with one another and bow to NXIVM leaders. Students are told it's essential that much of the world's money be controlled by ethical people for human existence to survive. Students must sign confidentiality agreements.

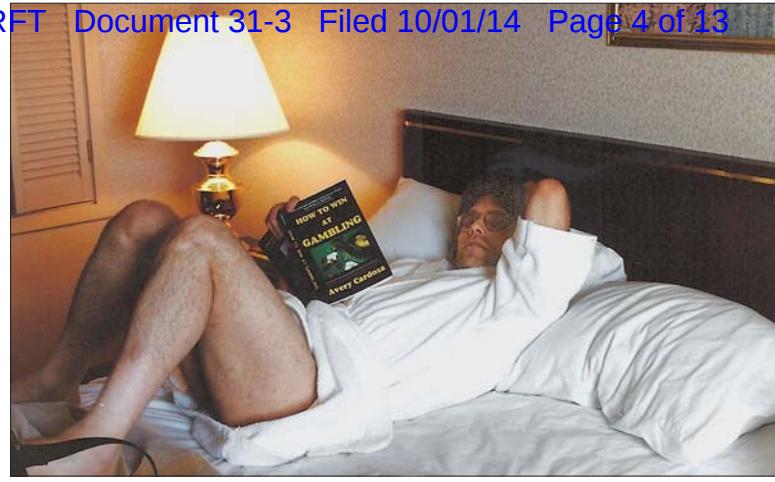
Dozens of former students have publicly praised the NXIVM program for making them a better person. Several testimonials from high-ranking public officials and business leaders once were handed out by NXIVM in recruitment packages. Some of those who gave the testimonials, reached by a reporter, say they did not authorize the remarks or did not want to discuss the matter.

"I still think it's awesome," said area chiropractor Edward A. Kinum, a longtime NXIVM trainer who left the group because he disliked the litigation it had become involved in. "If I could find something as good, without the controversy, I'd love it."

Trainees are sometimes drawn into "intensives" — those marathon sessions of powerful introspection — and at least three NXIVM students later sought psychiatric help. State records say one student committed suicide for unknown reasons, but she left behind a note about having taken NXIVM courses. In one court claim, NXIVM described the note as a fake.

Joseph Szimhart, a cult information specialist from Birdboro, Pa., who broke away from his own damping, two-year participation in a large New Age sect, has been recognized by courts as an expert on cults. He has also helped with interventions in families affected by cult membership.

Based on evidence from NXIVM-related websites alone, Ranieri fits the profile of a self-centered cult leader promoting warped ideas of individual transformation," Szimhart said. He said NXIVM poses a "level of harm" he has seen in modern cults that promote training programs for developing human potential. Szimhart based



KEITH RANIERE at a Las Vegas hotel in the 1990s reading "How to Win at Gambling."

TONI NATALIE

his comments on his review of NXIVM's website, two videos of Ranieri on YouTube and by reading published material about NXIVM and Ranieri.

Cathleen A. Mann, a cult expert from Colorado who has testified in nine states in the past 15 years, said Ranieri is, in her opinion, "dangerous." She said she has been gathering information on NXIVM for a few years and has been consulting with former members to form her analysis. Particularly troubling,

that there is anything bad about Scientology, he added.

Ranieri has told his inner circle he wants to create his own country with its own currency, according to sworn testimony.

At one time, according to Bouchey's October 2009 deposition, NXIVM was gathering names of local Native Americans to see if they could be brought into the group to create a sovereign nation like an Indian reservation. Another plan involved exploring

that there is anything bad about Scientology, he added.

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He doesn't have anybody around him for checks and balances. His isolation makes him more unstable."

— Cathleen A. Mann, a cult expert from Colorado

said Mann, who has a doctorate in psychology, is what she views as Ranieri's increasing isolation and withdrawal into his own reality.

"He doesn't have anybody around him for checks and balances," she said. "His isolation makes him more unstable."

Not all experts agree on what constitutes a cult. Michael D. Langone, executive director of the International Cultist Leaders Association, said cult is a subjective term and no clear diagnostic test is available. He did not express an opinion on NXIVM.

Robert Crockett, a lawyer for NXIVM, told a federal judge in October: "It's not a cult, it's not anything like Scientology" — not

Australia to see if NXIVM could develop its own country within its borders.

In the meantime, the organization is working on reaching the next generation. A boy, with a mysterious past, now about kindergarten age, has become a part of the NXIVM "family" and a test case for some of Ranieri's ideas.

The child is a seedling in Ranieri's "Rainbow Cultural Garden," described by Ranieri as "a revolutionary child development program promoting children's cultural, linguistic, emotional, physical and problem-solving potential."

Former NXIVM associates have said that in 2007, Barbara

Jeske, one of Ranieri's top aides, said she traveled to Michigan with Keeffe, and came back with the newborn boy. That account could not be confirmed, but in October, former NXIVM training center operator Susan Dones testified in federal court that the origin of the boy offered was "a story." "Why could they tell us that Kristin (Keeffe) had a baby or adopted a baby?" Dones asked.

The child has lived at Keeffe's address, two doors away from Ranieri's home and next to the condo purchased by other NXIVM followers in the middle of the three attacked units. The boy has had a series of nannies who speak to him in Russian, Chinese, Hindi, English and Spanish. Keefe did not respond to requests for comment.

Saratoga County child welfare authorities won't say whether they have looked into questions raised about the child being raised under Ranieri's guidance. In federal court, NXIVM has alleged that opponents have conspired to contact the authorities about the boy with unfounded reports. Meanwhile, the Rainbow Cultural Garden is marketing its programs.

Ranieri's ideas about humanity and human potential have led him to start other companies and foundations in the last 20 years. He has organized an a cappella singing group aimed at attracting younger people to NXIVM and helped found a NXIVM women's group called Jness, with a 20-hour curriculum on the differences be-

tween the sexes. Two women have recalled that Jness included two hours on men not being predisposed to monogamy; and Dones has testified in court that some NXIVM leaders challenge the practice of monogamy, pushing one to question such relationships as "ownership."

A NXIVM center in Vancouver is thriving. Satellites in Mexico, where some aggressive recruiters focus on affluent families, have drawn Mexicans to the Capital Region, where they have not only taken NXIVM courses but also, in some cases, relocated their families. Ranieri directly markets in Mexico, frequently contributing to the magazine Conocimiento (Knowledge) with plugs for NXIVM, or Executive Success Programs.

Thousands have fallen in step with Ranieri's march to build an ethical society. But some who have strayed from his path to enlightenment are emerging, hoping to make Ranieri accountable for the damage they've said he has done.

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A quick primer on what NXIVM is



Also known as Executive Success Programs, NXIVM is a company offering courses in the development of human potential.

It uses methods created by Keith Ranieri, NXIVM's founder, called "Rational Inquiry" technology which Ranieri has been trying to patent since 2000. He has said his program is a practice based on how the mind handles data with a goal of ethical behavior.

The program can be purchased like a health club membership to include weekly classes that run year-round, called Ethos, costing about \$1,800 annually.

Hundreds of modules are offered with names such as "Work and Value" or "Parasite Producing." Students must sign a confidentiality agreement to not share materials, methods and information.

Besides the Ethos program, NXIVM offers "intensives" of 16 days, costing about \$7,500, where people work from 8 a.m. to 9 p.m.; or for five days, costing about \$2,700. VIP intensives can run as much as \$10,000 for the five-day program. Also, one-on-one "EMS", or exploration of meaning, sessions are encouraged to concentrate on "issues" a person may be dealing with, such as relationships.

NXIVM promotional material describes its "school" as a place to help people develop consistent ways of approaching goals by changing the way students think, make decisions and react.

Students are instructed that all adults have "dis-integrations" because they learned to understand the world from the perspective of a small child and NXIVM causes help people to re-examine beliefs.

Sashes of different colors are assigned to NXIVM participants to denote rank, similar to martial arts.

NXIVM courts rich, powerful and influential

Entertainers, politicians, heiresses among group's students, advisers, recruiters

By JAMES M. ODATO

The for-profit corporation NXIVM is based on a self-improvement curriculum called "Rational Inquiry," developed by co-founder Keith A. Ranieri, who advertises himself as one of the world's smartest people. He formed NXIVM originally as Executive Success Programs with a nurse he met in the late 1990s after the collapse of his earlier business, Consumers' Buyline Inc.

NXIVM devotees at times pursue their efforts on their own or through a number of different organizations or business entities, including several not-for-profit corporations, creating a blur of individual and group affiliations. At times the group's big benefactors, Sara and Clare Bronfman, directly finance NXIVM-related efforts on their own. The movement has involved thousands of people.

Nancy Salzman

Ranieri met Salzman in the late 1990s after the collapse of his earlier business, Consumers' Buyline Inc. He said he chose Salzman to become president of NXIVM in 1998 after searching for seven years and interviewing hundreds of people to be the person to duplicate and teach his model.

Pamela Cafritz and Karen Unteriner

Long-time Ranieri girlfriends who worked for CBI, a multi-level marketing venture, which was based in Clifton Park and employed dozens of Capital Region residents and others across the nation who sold memberships entitling consumers to discounts on goods and services. The business shut down after probes by several investigation agencies. Without admitting any wrongdoing, they along with CBI signed a consent agreement in 1996 with the New York state attorney general, who had accused CBI of being a pyramid scheme. Cafritz and Unteriner agreed to never promote, offer or grant participation in an illegal chain distributor scheme. Ranieri and the company also agreed to pay the state a \$40,000 fine.

Mark Vicente

The writer/producer/director is putting together a film about Mexican violence. A trailer features Ranieri discussing peaceful resolution.

Roger Stone

Campaign strategist and former Senate Republican advisor who helped fashion Carl Paladino and Kristin Davis' unsuccessful bids to become New York's governor was hired by NXIVM or some of its top people.

Linda Evans

The actress was a student and young actress Nicki Clyne, Allison Mack and Kristin Kreuk have been among NXIVM's students and recruiters.

Richard L. Mays

The chairman of the scandal-tainted Aqueduct Entertainment Group that was disqualified after winning the bid to build a casino in Queens was also a NXIVM student.

Steve Pigeon

The former Erie County Democratic Party chairman and former counsel to former Senate Majority Leader Pedro Espada Jr. was hired by Clare Bronfman.

Sara and Clare Bronfman

The sisters have homes in the Capital Region and used tens of millions of dollars to underwrite Ranieri's activities and help the group purchase about a dozen buildings and homes in the region. They also helped arrange for the Dalai Lama to speak in Albany at an event that drew Ranieri to stage.

Alfonse D'Amato

The former Senator's lobbying and public affairs firm, Park Strategies, was hired for undisclosed reasons by NXIVM board member Clare Bronfman.

D'AMATO

Joseph L. Bruno

The former Senate Majority Leader met with Salzman several times and won campaign contributions and jet rides for Senate Republicans from two key NXIVM devotees — Seagrams heiresses Sara and Clare Bronfman.

Jack Casey

Bruno's former Senate lawyer, the past Rensselaer County Republican Party chairman, has been a student and legal adviser.

Antonia Novello

The former state Health Commissioner was also a student.

Richard Branson

English business magnate with Virgin Group has been enrolled.

Goldie Hawn

The actress canceled a speaking engagement after a 2003 Forbes article about Ranieri called "Cult of Personality."

Markham Group

The Arkansas-based political advisors, which has advised several presidents, has also been hired by NXIVM or one or both of the Bronfman sisters.

Lama Tenzin Dhonden

The emissary for the Dalai Lama worked together with the Bronfman sisters on the project to get the Dalai Lama to speak in Albany in 2009. Sara Bronfman's investments in real estate in the Capital Region included the purchase of a Halfmoon house for Lama Tenzin Dhonden. Sara Bronfman and Lama Tenzin were "closely associated," according to court testimony.

The Dalai Lama

Wrote a foreword for a book Ranieri co-wrote with a NXIVM follower that was published around the time of the spiritual leader's visit to Albany in 2009.

TIMES UNION ARCHIVE
THE COLONIE offices of NXIVM, also known as Executive Success Programs.

— James M. Odato

WEEKEND READING

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SATURDAY: How to choose a diet that's right for you.

SUNDAY: The charter school battle intensifies with the Albany City School District.

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MORE NEWS

WORLD



Prison fire kills 350

Hundreds perish when fire breaks out in an overcrowded Honduran prison. **A8**

BASKETBALL

Jimmer at Garden

Jimmer Fredette fulfills a dream by playing at Madison Square Garden. **B1**

REGION

A look at the books

The state comptroller's office will audit the Saratoga Springs Housing Authority. **D1**

BETHLEHEM

Budget blues

Bethlehem school leaders need a way to cut down a \$4.4 million budget gap. **A14**

BUSINESS

Deal sours for boss

Ex-Guilderland manager wants his plea tossed after higher-ups got no-jail deals. **C1**

FOOD

Butcher basics

Meet some butchers who specialize in locally raised meat and personal service. **E1**

UAlbany gets its big athletic wish

\$24 million project to add new football, soccer field to upgrade facilities

By Mark Singelais

ALBANY — University at Albany president George Philip said talk of upgrading the school's football field began in 1973.

Decades of wishful thinking became reality on Wednesday, when UAlbany announced the details of a \$24 million athletic and recreational complex that will begin construction in mid-April.

"As many of you will attest, today's announcement is long over-

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ALBANY, NEW YORK ■ THURSDAY, FEBRUARY 16, 2012

WEATHER
High 40° Low 31°
Any colder and we may have been seeking a shovel. **A2**

SECRETS OF NXIVM

NXIVM called 'a litigation machine'

Criticize Keith Raniere or tell the public NXIVM's secrets and you'll be sued, several subjects say

**By James M. Oddato
and Jennifer Gish**

They joined NXIVM hoping to secure an improved life. But when they left the organization, they found themselves entangled in the court system, bankrupt and in one case自杀.

Some people who have defected from NXIVM have said the same leaders who preach humanitarianism are also master intimidators who will wring out opponents

with years of litigation, use private investigators to bully and urge the government to pursue charges against those they believe have crossed them.

"They'll go to the ends of the earth to destroy you," Susan Dones, who once established a NXIVM training site in Washington state but broke away from the group in 2009, said in court last fall. She and her partner and former NXIVM trainer Kim Woolhouse were representing

themselves against NXIVM's claims they had violated their confidentiality agreements with the organization.

"NXIVM is a litigation machine that is quick to file legal action against anyone who expresses an opinion about their leader Keith Raniere's behaviors," the women told the court.

The judge in that case, Brian D. Lynch, agreed with some of that sentiment while noting that Dones was not blameless. "NXIVM's claims and litigation tactics were disproportionate and largely

Please see NXIVM A6 ▶



CLARE BRONFMAN, a financial backer of Keith Raniere, has a discussion outside court last March in Los Angeles. **SPECIAL TO THE TIMES UNION**



PAUL BUCKOWSKI/TIMES UNION



JOHN CARL D'ANNIBALE/TIMES UNION

Still no winter

A customer bypasses snow shovels at Phillips Hardware on Central Avenue on Wednesday in Colonie. After all, who needs them? The lack of snowfall and warmer-than-normal temperatures have put winter on hold and brought out the golfers. Jon Phillips, owner of Phillips stores in the region, said he purchased extra winter items after the October snowstorm. Now he says he'll be more than set for next winter. Meanwhile, at left, golfers Winston Burt and John Moroch, both of Valatie, take advantage of Wednesday's nice weather to squeeze in a round at Evergreen Country Club in Schodack. The warm weather continues Thursday with highs expected in the low-to-mid-40s. Some snow comes in for the night, but only about an inch.

Stuck with a low rate

Effort by six local hospitals to raise reimbursement formula for Medicare fails

By Dan Freedman

WASHINGTON — Despite a lobbying effort, an alliance of six Albany-area hospitals failed to insert a favorable rewrite of Medicare's hospital reimbursement formula into legislation aimed at restoring Medicare payment rates for doctors.

"The current 'doc-fix' bill didn't open the door to these types of changes," said Matt House, spokesman for Sen. Chuck Schumer, D-N.Y., referring to legislation to cancel reduction of Medicare rates for doctors, which would have kicked in at the end of February absent congressional action.

The "doc fix" was part of the Capitol Hill agreement reached late Tuesday to maintain the payroll tax cut.

At issue for the Albany hospitals is the disparity in Medicare's hospital reimbursement rates, which are based on calculations of local wages.

Albany's rates are significantly lower than those of New York City and its suburbs, as well as those in neighboring Massachusetts. In fact, the rates begin climbing immediately south of Albany,

Please see 'FIX' A10 ▶



LORI VAN BUREN/TIMES UNION

New move for pork surfaces in Assembly

By Jimmy Vielkind

ALBANY — Democrats who dominate the Assembly are quietly pushing to insert pork spending into the state budget, leaders in the chamber said.

The state's ongoing fiscal crunch has meant no new cash for "member items," state funds directed by legislators to non-profit groups in the areas they represent, since 2009.

Last week, Assembly staffers directed Democratic members in the chamber to submit lists of organizations that were in need

EXCLUSIVE

of funding, several members said. Assembly Speaker Sheldon Silver, D-Manhattan, confirmed to the Times Union he would push for their inclusion in a spending plan for the coming fiscal year, which must be in place by April 1.

"Members know their districts best," Silver said in an interview.

"If there are things that we can include in the budget we'd certainly like to. We have no commitments, no guarantees ... But as we close

Please see PORK A13 ▶

UPCOMING

The haikus are in.
Read the winners from our contest.

Friday

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NXIVM

▼ CONTINUED FROM A1

lacking in merit," Lynch ruled in dismissing nearly all of the claims against Dones.

"NXIVM's pursuit of Woolhouse is another matter entirely and sheds light on its true motivation," the judge wrote in his Oct. 25 opinion, in which he called the treatment of Woolhouse "deplorable." "Her sin was to attempt to walk away after discovering that NXIVM was not what she thought or hoped. In return, she was labeled as 'suppressive,' a term that NXIVM applies to former associates who leave the company or whom NXIVM perceives to be its enemies, and subjected to protracted litigation from two large law firms and a phalanx of attorneys."

About 10 people, including cult tracker Rick Ross, four former NXIVM members and one former NXIVM attorney, have fallen into the self-improvement organization's legal cross hairs, pummeled with court filings some of them have said meant to deliberately slow the judicial process and punish defendants for defecting from or speaking out against the group.

But what several of these people have called harassment and intimidation has extended beyond the courtroom.

Ross, the cult tracker NXIVM sued for publishing portions of its training program, has alleged private investigators hired by NXIVM rifled through his trash, searching for financial records. After being sued by Ross, the private investigator denied knowledge of it in court papers.

Toni Natalie, a former girlfriend and business associate of NXIVM founder Keith Raniere, said a breakup with the self-improvement guru began with pleas for her to return to him and developed into an eight-year bankruptcy nightmare, an alleged campaign outside the business she once owned and a report to police that one of Raniere's close associates had been tampering with her manbox. Bankruptcy Judge Robert Littlefield seized up Raniere's litigation against Natalie this way: "The individual challenging the Debtor's discharge is her former boyfriend . . . this matter smacks of a jilted fellow's attempt at revenge or retaliation against his former girlfriend, with many attempts at tripping her up along the way."

Another woman mentioned the organization in her suicide note, only to have leaders of NXIVM suggest after her death that she was part of a drug ring, as recounted in sworn testimony.

Barbara Bouchey left NXIVM in 2009, but in February, as she testified before a federal magistrate, she detailed how the group would not let go.

Bouchey, a financial planner who once served as an executive board member of NXIVM, financial manager for two top NXIVM devotees and girlfriend of NXIVM founder Keith Raniere, sounded in her court testimony to be ground down by the process, which included hours of sometimes intense depositions with NXIVM attorneys.

"NXIVM has brought two adversarial lawsuits against me. The Bronfmans, the Seagram 7 heirs, who are high-ranking leaders and members, have brought two lawsuits against me, two that are still currently pending," Bouchey told a federal magistrate in New Jersey while testifying in the case of Ross. "They've reported me to my financial planning ethics board. They reported me to FINRA (Financial Industry Regulatory Authority) ... both for criminal investigation and misappropriation of funds, which are completely unfounded. They also brought in the district attorney of

Saratoga County of accusing me of extortion and criminal charges because I asked Keith Raniere to pay me back \$1.6 million that he owes me, which now is being mislabeled into extortion. I've already been dragged into three or four of their other lawsuits as a witness and produced 23 boxes of material, over a hundred thousand pages."

Bouchey has said NXIVM's legal onslaught has cost her more than \$400,000 in legal and adviser fees the past two years. After heavy litigation within her bankruptcy case from NXIVM and the Bronfmans, a bankruptcy judge threw her Chapter 11 filing and exposed her to creditors earlier this year.

Raniere and his NXIVM associates did not respond to repeated requests for comment. ■

Ross, the cult expert who was sued for publicizing portions of

NXIVM's training program, considers himself the luckier of those challenged by NXIVM, though he has been bound in litigation for eight years. Investigators allegedly hired by NXIVM, he said, rifled through his garbage, obtained his bank and phone records and kept his home office under surveillance. Ross sued the investigation firm and reached a confidential settlement agreement in 2008.

The firm then made claims to recover damages and legal costs from NXIVM, insisting NXIVM officials had approved all their actions involving Ross, who still has an invasion of privacy case pending against NXIVM. NXIVM is fighting all the claims against it, but despite the stress of being pursued, Ross feels fortunate he had attorneys representing him at no charge during these years of court proceedings.

Joseph O'Hara, an Albany

businessman and former owner of locally based professional sports teams, served as an adviser to NXIVM in 2003 and 2004 before leaving in early 2005. He resigned, giving NXIVM a letter that accused the organization of committing illegal acts, including the tactics used to investigate Ross, according to a document filed in court. He told Ross of a history of questionable tactics used by NXIVM. NXIVM leaders accused him of criminal activity. He and his company were driven into bankruptcy because of litigation brought against him by NXIVM and the Bronfman sisters, Sara and Clare, and he is unemployed after being let go by a recent employer, who told him he didn't like getting caught up in the litigation.

Meanwhile, NXIVM lawyer Robert Crockett told a federal judge that some of NXIVM's detractors have been involved

in schemes to hurt or harass the organization or its members.

Emails from O'Hara produced by NXIVM in the Dones and Woolhouse case showed he was urging Dones and others to call child protective services about a child being raised by a NXIVM member when Crockett contends there was no cause for investigation. Crockett produced emails showing O'Hara also was in touch with Dones and Toni Natalie, Raniere's former girlfriend. In one of the emails, Dones responds to O'Hara by writing "I love that we are a bug up their ass." Trial testimony did not provide further details. The judge later noted there was no evidence Dones ever made calls to child protective services. ■

Sometimes, rather than filing a civil suit, NXIVM has chosen other tactics to silence its critics. The movement and its devotees

have hired political figures or high-profile lawyers to push its agenda, sometimes attempting to spur a criminal investigation.

Many of those services have been paid for by Clare Bronfman, or her sister, making it unclear whether the deal was made for work done on behalf of NXIVM. It's part of a cloudy relationship between the personal interests of NXIVM members and the organization itself, one a federal judge struggled to separate in a February 2007 ruling, where several NXIVM members were plaintiffs in a case against O'Hara.

"Further, notwithstanding we have twelve Plaintiffs, it appears that NXIVM is the heart and soul of Plaintiffs' case against the Defendants," federal magistrate Randolph F. Trece wrote. "Therefore, for the sake of [the] brevity, since all of the Plaintiffs

Please see NXIVM A7 ▶

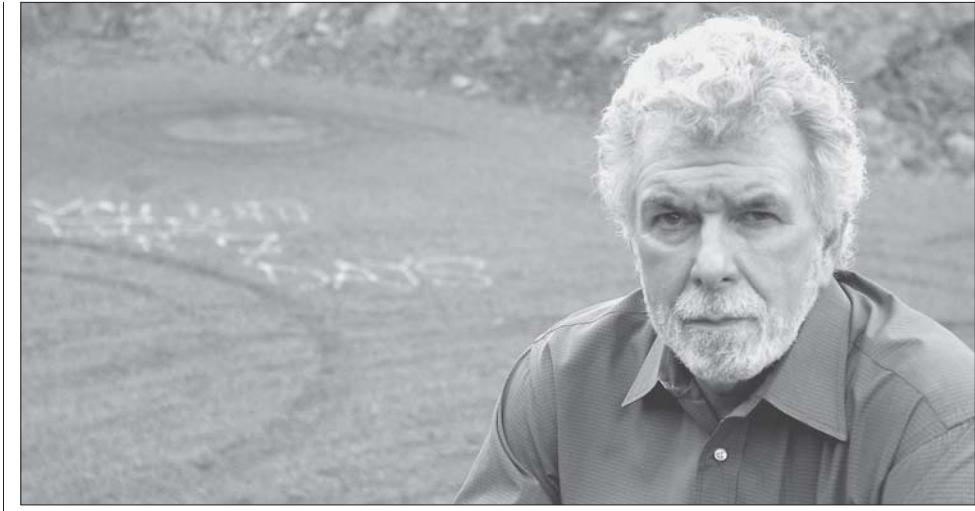
Black

Yellow
Magenta
Cyan

DONES



WOOLHOUSE



TIMES UNION ARCHIVE

JOSEPH O'HARA, a former consultant to NXIVM, found the words "You will die in 7 days" spray-painted on property he owns. He said he dissolved his association with NXIVM, a company that sells what it calls "Executive Success Programs," when he discovered that NXIVM used business practices of which he did not condone.

Ex-NXIVM aide takes NXIVM to federal court

By James M. Odatto

ALBANY — NXIVM punishes whistleblowers and outspoken former associates by illegally using lawyers and litigation in conspiracies that violate civil rights, a new suit filed last week by one-time NXIVM business consultant Joseph J. O'Hara alleges.

O'Hara claims in a U.S. District Court case filed Feb. 9 in Albany that his constitutional rights have been repeatedly violated by NXIVM in a legal barrage funded in part by \$150 million in funds expended by the wealthy Bronfman sisters to finance NXIVM-related people and businesses. The suit names, among others, NXIVM's leaders Keith Raniere and Nancy Salzman; its legal liaison, Kristin Keeffe; its two major boosters, Clare and Sara Bronfman; and a host of lawyers who have worked with the self-improvement business based in Colonie, or its followers, over the years.

O'Hara, a 63-year-old Colonie attorney used by NXIVM as a consultant from October 2003 until he quit in January 2005, said he was the target of a conspiracy to hurt him, violating his right to privacy — through retaliatory strikes because he had become a whistleblower to federal and state agencies. The illegal acts he alleges include a conspiracy among defendants to have criminal charges brought against him in various jurisdictions. Those attempts, as well as several "baseless lawsuits" and other actions O'Hara said were an abuse of the legal system, cost him time and money. He seeks more than \$10 million from the group.

His suit is unusual as he accuses lawyers of doing more than advising and coaching clients, but of possibly assisting in unlawful acts, including conspiracy.

He makes allegations about NXIVM's tax practices. "Based upon information and belief, the NXIVM/ESP-related business entities also do not issue W-2 Forms and/or 1099 Forms with respect to the various commissions and salaries that they pay to their respective staff — and/or with respect to the various nonbusiness related expenditures that they make on behalf of Raniere/Vanguard."

Among the 15 lawyers sued are Stephen Coffey and Pamela Nichols of O'Connell and Aronowitz in Albany; John Bartolomei of Niagara Falls; and Scott Harsbarger of the Proskauer Rose law firm, Albany County District Attorney David Soares and Albany County are also sued for allegedly allowing Keeffe to set up as a legal team to develop a criminal case against O'Hara.

None of the lawyers or representatives of defendants had a comment on the litigation, although Bartolomei said he thought the Bronfmans, his clients, were well-meaning. "Clare said she was given wealth in order to do good in the world with it," Bartolomei recalled.

O'Hara said defendants may not have been served yet as that is being done by the U.S. Marshals Service. He noted in his filing that he may amend his action to include civil claims under the Racketeer Influence and Corrupt Organization (RICO) Act because he believes NXIVM

engaged in a "criminal enterprise." In his court complaint, he alleges that NXIVM is operated as a Ponzi scheme. He also alleges Keeffe obtained evidence against him gathered by Soares' office or a grand jury and furnished it to Proskauer Rose, which inserted it in a suit against him.

O'Hara said Raniere, also known as Vanguard, "masterminded" the acts that were coordinated by Keeffe and funded by the Bronfman sisters. He claimed acts of conspiracy against him include illegal copying of confidential material from Soares' office, hiring of private investi-

gators to gather confidential material, illegal surveillance, illegally obtaining text messages and telephone conversations and spray-painting of the words "you will die in 7 days" at a New Baltimore construction site owned by O'Hara. Others facing similar harassment through litigation, O'Hara said, are former Raniere associates Barbara J. Bouchey; Toni F. Natalie; Frank Parlato Jr. and Yuri Plyam, as well as cult-tracker Rick Ross.

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CLARE BRONFMAN heads to federal court in Albany last May with one of her many attorneys, here lawyer William Savino of Buffalo. Both were named as defendants in a new federal civil rights lawsuit filed by former NXIVM consultant Joseph O'Hara, who accuses numerous NXIVM associates of illegal acts.

▶

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TIMES UNION ARCHIVE

ROBERT AND JOHNNIE SNYDER hold a photo of their daughter Kristin at their home in Dillon, S.C. Kristin Snyder is believed to have committed suicide after taking an Executive Success Programs class.

NXIVM

▼ CONTINUED FROM A6

appear to be united in interest, we will refer to the plaintiffs collectively as NXIVM."

During the same time period, former Massachusetts Attorney General Scott Harshbarger — a partner in a law firm once used by NXIVM — contacted Capital Region district attorneys and encouraged a criminal investigation of Joseph O'Hara, who had gotten embroiled in a legal dispute with the Bronfman sisters. Harshbarger met with Saratoga County District Attorney James Murphy and with Albany County District Attorney David Soares, according to Murphy and a Soares spokeswoman. The district attorneys did not suggest Harshbarger's actions were improper.

Soares' staff allowed Kristin Keeffe — one of Raniere's top aides — to enter the DA's office for several weeks, helping develop a case against O'Hara. She was allowed access because she worked for an organization that was an alleged victim of crime, Soares spokeswoman Heather Orth said.

Prosecutors working for Soares were able to get a grand jury to indict O'Hara in 2007 for alleged grand larceny, but the charge against O'Hara was dismissed by a state judge for insufficient proof shortly after.

The district attorney's office did not seek another indictment because there was no more evidence to prove intent to steal, Orth said. Orth said Harshbarger's contact on behalf of the Bronfmans did not influence the prosecution.

Although Keeffe was allowed to work in the DA's office to assist in understanding allegations, it was an arm's-length relationship, according to prosecutors. She brought teams of documents and devoted numerous days of effort.

O'Hara has questioned whether Keeffe's presence in the prosecutor's office tainted the investigation. Harshbarger, Keeffe and the Bronfmans have declined to comment.

Even in death, Kristin Marie Snyder, a former NXIVM student, wasn't safe from having her reputation attacked.

Snyder was a 35-year-old career-minded environmental consultant in Alaska who spent \$16,000 in three months on Executive Success Programs, self-help training regimens marketed by the group, from November 2002 to February 2003. Two of the sessions were 16-day "intensives," workshops that could stretch into 10- and 12-hour days.

According to Alaska State Police investigators, on Feb. 6, 2003, it is believed that Snyder drove to a campground in Seward, Alaska, paddled a 16-foot kayak into the bay and intentionally capsized it into the glacier-fed water.

Her body was never found, but a state health department jury declared her death a suicide. Police had discovered a spiral notebook

in her truck.

"I attended a course called Executive Success Programs (a.k.a. Nexivim) (sic) based out of Anchorage, AK, and Albany, NY," she wrote. "I was brainwashed and my emotional center of the brain was killed/turned off. I still have feeling in my external skin, but my internal organs are rotting. Please contact my parents ... if you find me or this note. I

am sorry life. I didn't know I was already dead. May we persist into the future." Calling the note a fake, NXIVM members put forward a theory different from the authorities: They say Snyder faked her death to escape a drug ring. The theory came out of court testimony from Bouchey, who was there when various NXIVM members discussed the suicide.

"There was no drug ring," insisted Kenny Powers, a former Alaska assistant attorney general and friend of Snyder's. He was director of the Nordic ski patrol that Snyder had been a member of, and which led the search for her body. Powers saw Snyder in the days before she disappeared. He recalled her as suicidal, a dramatically different person from the level-headed woman he

knew for years before she began NXIVM courses and traveled to Albany to meet Raniere.

Toni Natalie thought ending her eight-year relationship with Raniere would be like cutting any other boyfriend loose. Instead, she received a map showing her path to demise and heard constant pleas by one of the women in his inner circle to return to him.



TIMES UNION ARCHIVE

CLARE BRONFMAN, left, and sister Sara Bronfman, shown in March 2009, are wealthy heiresses who have entrusted Keith Raniere with millions of dollars that he allegedly lost in real estate and commodities futures, according to court papers.

'The girls' back NXIVM with millions

By James M. Odatto

Among the women close to Keith Raniere, none have been more generous financially than Sara and Clare Bronfman, some of the wealthiest female thirty-somethings in the nation.

They were instrumental in arranging for the Dalai Lama to appear in Albany to the delight of Raniere.

Routinely referred to, even by friends, as "the girls," the two women have entrusted Raniere with huge sums he allegedly lost through obsessive trading in commodity futures and real estate, according to court papers in a lawsuit filed by the Bronfmans against real estate developers in a Los Angeles-area luxury housing project.

It is unclear how the money flowed, who had legal possession or who had authority to make decisions. What is alleged in deposition testimony, is that Raniere was guiding the investments.

Raniere allegedly used at least \$65 million of the Bronfman sisters' funds so that he could test a mathematical formula to beat the commodities markets, according to sworn testimony of financial planner Barbara Bouchey, a former NXIVM board member, in the California case. Bouchey said the money came from loans by the Bronfmans to various legal entities and NXIVM CEO Nancy Salzman. All of the money was lost, according to court testimony in the real estate case.

For real estate, Raniere put together a deal involving \$26 million of the sisters' money that went into a residential housing development in Los Angeles. The deal soured after Raniere suggested to the Bronfmans that they replace their appointed on-site manager with a NXIVM consultant from Niagara Falls, according to deposition

testimony. The sisters later sued their original on-site manager and won a jury award of \$10.3 million after a trial in the case.

Clare Bronfman, in testimony in a Washington trial, refused to acknowledge she covered Raniere's commodities losses. The Bronfman real estate funding has been described in court papers as an investment. Neither Clare nor Sara Bronfman responded to repeated requests by the Times Union for an interview.

Based on court records, legal documents and numerous interviews, the Bronfmans have also been major underwriters of NXIVM's operations, Raniere-created foundations and several legal cases costing millions of dollars. The sisters have consistently supported Raniere since they became NXIVM followers more than eight years ago and set up residence in the Capital Region. Their wealth has helped pay for local real estate for NXIVM operations and housing for NXIVM leaders.

And the sisters, or foundations they lead, have paid for things such as immigration services for people associated with Raniere's pursuits, and a \$40,000 piano for his use. For years, their private jet ferried NXIVM personnel and associates. In return, they believe they are receiving a window to a better life.

"I believe the greatest gift one human can give to another is the gift of humanity — the opportunity to see oneself and others as human," Clare Bronfman wrote on her web page in the fall of 2009 — well after some of the sourced investments occurred. "What Keith Raniere brings to the world is such a gift."

Cathleen A. Mann is a cult expert who has been analyzing the dynamics of NXIVM, Raniere and the Bronfmans. "They have been in their meal ticket for a long time," she says. "In their defense, I think they've been

completely snookered by him."

In court testimony in the real estate case, Clare Bronfman was asked whether she and her sister have willed their wealth to NXIVM by making NXIVM President Nancy Salzman the beneficiary, but she was not required to answer. Clare Bronfman, with an 11th-grade education, has risen in the company to oversee operations, she testified in a Washington case in which NXIVM alleged a former trainer had violated a confidentiality agreement by disclosing NXIVM intellectual property.

A spokesman for Edgar Bronfman Sr., the billionaire father of Clare, 32, and Sara, 35, who developed his fortune from the family's ownership of the Seagram's whiskey corporation, said his daughters are living their own lives. "He supports them in whatever they're doing," says Stephen Herbig. "He doesn't have anything to do with the organization." Eight years ago, Bronfman Sr. was quoted as calling NXIVM a cult. Herbig says that was then: "He felt that way initially, but after more engagement with the daughters and taking the course, he said, 'This is their life.' ... He has basically said: 'I want to be your father, I don't want to be drawn into these particular activities.' At best he's neutral; he just doesn't engage in it."

In recent months, Sara Bronfman has drifted from NXIVM to become engaged in the economic restructuring of Libya and was appointed to the U.S. Libyan Chamber of Commerce. Clare Bronfman has appeared on behalf of NXIVM in court proceedings.

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Jean Schneier, Natalie's mother, and Raniere accused Natalie to say Natalie must come back to him. "He went on and on," Schneier said. "He talked with a soft voice ... like he was counseling me that she should come back with him, and if she didn't, he would see her dead or in prison." If she didn't hear from Raniere himself, Natalie said his inner circle of women pursued her about her "karmic mistake."

Natalie said Keeffe, the same woman who later spent time in the district attorney's office urging an investigation of O'Hara, stood vigil for weeks outside the restaurant she once ran in Saratoga Springs and appeared at her door saying she had a vision Natalie was coming back to the family. Natalie said Keeffe would call her "the chosen one" who is "supposed to have the child that will save the world."

During Natalie's 2002 bankruptcy hearing, Keeffe said she did not recall standing in front of the business for five hours and testified she didn't remember police asking her to move, but she confirmed bringing flowers and chocolates to Natalie and filing a complaint against a police officer who "threatened" Keeffe's roommates. Natalie said the officer was checking complaints about Keeffe's vigil.

In another incident in 1999, Natalie secured a restraining order against Barbara Jeske, a longtime member of Raniere's inner circle, after she'd videotaped Jeske tampering with her mail.

Jeske did not respond to repeated requests for comment.

Today, Natalie, who said she was diagnosed with post-traumatic stress disorder as a result of her final dealings with Raniere and those around him, attributes the recent breakup of her marriage of the past decade to NXIVM. Her husband, Scott Foley, said he got fed up with Natalie's preoccupation with NXIVM. "It was always present and one of the foremost things in her mind," Foley said. Although Natalie has a healthy grown son whom she loves so much, he said, she carries a fierce resentment toward Raniere for the stress he brought on her family.

"[Raniere] teaches through intimidation. He takes good people looking for a better way of doing things and uses their vulnerability to control them," he said. "And I've always wondered why he's pursued me for so many years. What secret do I hold?"

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This series

"Secrets of NXIVM: The untold story of Keith Raniere," is the result of a more-than-year-long examination of the self-improvement guru and conceptual founder of NXIVM, which has attracted students from Vancouver to Mexico but remains rooted in the Capital Region.

The reporting includes scores of interviews and a review of business records, police reports and thousands of pages of court documents, which provide a window into Raniere's world, but it comes without an interview with the elusive Raniere, who did not respond to repeated attempts to get comment. It also lacks any response from the women who surround him and serve as NXIVM's lifeblood. They, and the lawyers who represent the organization, have refused repeated requests to speak with them.

The four-part series — which details the grasp of mind, money and body Raniere has held over some followers — unfolds in print, online and with a special report for the iPad.

► **Last Sunday:** An overview of Raniere and his unusual life.

► **Today:** Relentless litigation wrought against NXIVM defectors.

► **Friday:** Raniere's multi-level marketing mind.

► **Sunday:** A history of Raniere's sexual conquests.

SECRETS OF NXIVM

'Ample evidence' to justify investigation



AN ARTIST'S conception shows plans for a NXIVM complex filed six years ago with the town of Halfmoon. The plan, which was rejected by the town, called for construction of a huge complex.

Experts say Keith Raniere's business model warrants an inquiry by authorities

By James M. Odatto

Waving a marker, Keith Raniere drew a chart for the prospective sales force that sat before him in folding chairs. He sketched how his payment matrix could make salesmen for the Innovative Network wealthy if only they would apply themselves to building a sequence of customers and affiliates who would sell more memberships.

Gesturing vigorously, he asked his prospects to visualize a pile of \$10 million.

"It's big. It's huge. You know the smell of new money makes your nostrils twitch like a bunny," he said. "Imagine the feel of the bills. ... Get it firmly in your consciousness." He paused.

"If I told you if you got a member here by Monday and two partners by Wednesday that

you would have that money on Wednesday, how many of you think you could do it?"

Every hand went up.

It's a scene of Raniere from a 1997 recruitment meeting for the now-shuttered Innovative Network videotaped in a modest Clifton Park conference room. And it is an episode seemingly far removed from what Raniere, who describes himself as "a spiritual being," does today as the intellectual force behind

Please see NXIVM A6 ▶



GOV. ANDREW CUOMO says the new evaluation system is a national model. Richard Iannuzzi, president of New York State United Teachers, is at left.

Deal saves \$1B in aid

Pact on teacher evaluations beats governor's deadline for imposed standards

By Rick Karlin and Scott Waldman

ALBANY — Student test scores and classroom observations will be used to assess New York educators under a new evaluation system announced Thursday that Gov. Andrew Cuomo heralded as a national model.

The agreement between state officials and union leaders ended two years of tense negotiations and put a court battle on hold.

With the clock ticking on a tight deadline, Cuomo and educational leaders on Thursday said they had broken through the major logjams standing in the way of the new teacher evaluation system — which would also bring in approximately \$1 billion in federal funding over the next few years.

The move also strengthens the role of the state Education Department, which must approve the evaluation agreements developed by each of the state's 700 school districts.

"Today is a great day for the schools in the state of New York. Government works today," Cuomo said, as he was joined by Education Commissioner John King Jr. as well as Michael Mulgrew and Richard Iannuzzi, heads of the United Federation of Teachers and New York State United Teachers.

"Today's agreement is good for students and fair to teachers," Iannuzzi added.

Please see TEACHERS A7 ▶

LOOKING FOR A LIFT

SKIERS TAKE a chairlift ride to a Jiminy Peak Mountain Resort trail in Hancock, Mass., on Thursday. As school break nears, marketing officials are using many methods — like mailing snow samples to meteorologists — to draw customers.

Ski resorts: We're not bare

Slope operators desperate to get word out about their snow

By Brian Nearing

With some people testing out golf clubs as winter remains largely absent in the Capital Region and much of the Northeast, Betsy Strickler had an idea: Hire an airplane to fly over Jiminy Peak Mountain Resort to photograph snow on the ski slopes and highlight the shot on the resort's website.

"Our biggest challenge is there is no snow in people's back yards. We need to show that we have snow," said Strickler, Jimmy's sales and marketing director.

There is extra pressure as ski resorts face the upcoming week when most schools are on spring break. It is a critical time for selling lift tickets, given that the relatively snowless Christmas holiday break also discouraged skiers.

Strickler said Jiminy has used machine-made snow to achieve 96 percent cover and bases of four feet or more. Snowmaking has stopped for the season, and Betsy will nurse that base until spring.

In Vermont, ski marketing officials decided to mail snow to several dozen television weather forecasters last month to show it was still time to think about skiing, said Jen Butson, director of public relations.

Please see SNOW A11 ▶

Two deaths try courage

After loss of mother, grandmother, young woman must carry on

By Paul Grondahl

ALBANY — For 14 days and nights, Peggy Dunn rarely left the bedside of her 40-year-old daughter, Rachael Keeler, who lay dying of liver disease at the hospice inn at St. Peter's Hospital.

Dunn, 57, was joined in an around-the-clock vigil by her granddaughter, Keeler's 20-year-old daughter, Kaiya.

Kaiya had always been a focal point and source of pride for the two women, a bright spot illuminating the dark stretches.

Rachael Keeler died on Saturday afternoon. Dunn and her granddaughter worked all day Sunday cleaning out Keeler's apartment in Albany and selecting clothing for the burial. When they finished, the women made plans to

How to help

Kaiya's grandfather is starting a scholarship fund to help Kaiya attend nursing school.

■ To contribute: Kaiya E. Keeler Education Fund, c/o Trusco Bank, 320 State St., Schenectady, NY 12305

meet at Kaiya's boyfriend's house in Selkirk to choose photos for Keeler's service.

Kaiya left suddenly before Dunn. When Dunn didn't arrive at the expected time, Kaiya tried calling her grandmother's cellphone.

There was no answer.

Kaiya heard sirens and saw flashing lights of emergency vehicles. She reached the crash site on Route 9W near Route 396 in Bethlehem a short time later. Authorities kept Kaiya far back

Please see DEATHS A7 ▶

Ready for Presidents Day

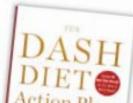


Presidents Day is Monday, and Nancy Bellamy of Clifton Park displays portraits of George Washington and Abraham Lincoln that she bought for grandson Derek to show in kindergarten. The forecast sees snow and rain, with sun on the holiday.

UPCOMING

Some tips on picking the right diet for you.

Saturday

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NXIVM

▼ CONTINUED FROM A1

NXIVM, the Colonie-based personal improvement program with thousands of adherents around the world.

But some of those familiar with Ranieri have said his business model for peddling memberships to get discounts on top-grade health products years ago and personal growth programs today is the same, and several experts who evaluated that model have said it's enough to warrant an investigation by the attorney general's office.

Ranieri picked up his business structure in the early 1980s, when he took Amway sales training. Multi-Level Marketing, or "MLMs," as they're known to millions of Americans who sell or distribute Avon or Mary Kay cosmetic products, can be successful and legitimate. But they can, when misused, run afoul of laws that prohibit pyramid schemes or what New York calls a "chain distributor scheme."

Put simply, what can make an MLM illegal is requiring participants to invest their own money for a chance to make money by enlisting more participants in the recruitment game, said Robert Brooks, a lawyer in Massachusetts who has specialized in claims against alleged pyramid schemes. The unlawful schemes result in networks of members and sales teams, and participants at the top may net extraordinary wealth but most participants are likely to lose money.

Ranieri's past business models involved enlisting people to purchase memberships. Those who were recruited, as well as anyone they eventually recruit, trigger commissions up a ladder that enriched those at the top. NXIVM is different only in that it sells workshops and courses in Ranieri's philosophies on ethics and success, rather than consumer goods, according to numerous sources.

Testimony in legal cases involving NXIVM suggests that people have to take NXIVM courses, which cost at least a few thousand dollars a year, to be eligible to recruit and make commissions from recruitment.

In federal court in New Jersey, a lawyer defending a cult watcher sued for publishing NXIVM training material has repeatedly suggested that NXIVM is a kind of unlawful business scheme.

"I will refrain from calling it a Ponzi scheme, but of course that's what it is," lawyer Peter Skolnik said at a hearing last year describing NXIVM's structure as relying on students bringing in others.

Earlier this year, Skolnik tried to unseal a record in court that describes NXIVM business practices. "This document establishes that the way NXIVM operates internally financially is a violation of the general business law of New York," Skolnik said in a federal court proceeding in February. "This document establishes that NXIVM is run as a version of [a] multi-level marketing scheme in violation of a consent order that Ranieri ... entered into with the New York state attorney General in connection with Consumers' Buyline."

Consumers' Buyline Inc. was a nationwide buying club offering discounts to members who could become affiliates and recruit more members. It employed more than 150 people in offices in Clifton Park and directed dozens of sales representatives nationwide. It grew rapidly, signifying up some 250,000 members in many states, and then collapsed.



TIMES UNION ARCHIVE

KEITH RANIÈRE in various stages of his life training and discussing multilevel-marketing programs: in 1991, top and center, when he ran Consumers' Buyline Inc. before he and two colleagues signed an agreement in 1996 with the New York state attorney general agreeing to never operate an illegal chain distribution scheme, but without admitting wrongdoing; and bottom, around 1997, when he was associated with an enterprise called Innovative Network that recruited sales agents.

Ranieri recalled in a sworn statement that Consumers' Buyline encountered "political problems ... more than 20 states started investigating us and filing civil actions."

In 1996, Ranieri and two of his Consumers' Buyline colleagues signed a consent order with the New York attorney general. State officials had accused Ranieri of operating an illegal "chain distributor scheme." Without

acknowledging any "fraudulent, illegal or deceptive acts," Ranieri and two associates, Pamela Cafritz and Karen Unterreiner, agreed to be permanently barred from "promoting, offering or granting participation in a chain distribution scheme." The consent order agreement also included a fine of \$40,000 against Ranieri and his business, which wasn't paid off for another four years, and then only after the attorney general's office

pressed. Consumers' Buyline also agreed to concessions in Arkansas, including an order to pay \$145,000, again without admitting any guilt. Officials at that state's attorney general's office could only document \$55,000 in payments made, potentially exposing Ranieri, Cafritz, Unterreiner and Ranieri's father, James, to additional penalties.

By 1997, Ranieri had closed Consumers' Buyline and devel-

oped Innovative Network, which sold memberships for discounts on top-grade health products and was structured with the same commissions/bonus-based model as Consumers' Buyline, with money traveling upline to leaders, said Toni Natalie, a former girlfriend of Ranieri's who was one of the top salespersons for Consumers' Buyline and the formal head of Innovative Network.

"The only difference was the

name of the company and the names of the levels," said Natalie, who claims she didn't know about the consent order until years after ending her relationships with Ranieri.

"We worked our tails off and never got paid," said Patty Cepeda, who for several months helped build a group of sellers for Innovative Network and tried to get Ranieri to explain compensation so that the layman could understand. "He made it difficult to figure out even how to get paid."

Her husband, Herb Cepeda, a New York state trooper from 1987 to 1992, who quit to pursue a more lucrative career in selling through multilevel-marketing companies with his wife, said Ranieri's company wasn't reputable and that's a key reason they left after a short time.

"He's a manipulative character," Herb Cepeda said. "He preys on the people who lost hope or have esteem issues." Cepeda has since worked for several other marketing businesses, and said Innovative Network probably was a pyramid scheme and nothing more than a "sign-up game."

"When the income is a function of enrollments, instead of goods and services going out to the consumer, that's the definition of a pyramid scheme," Cepeda said.

Among the people in the sales network of Innovative Network

Please see NXIVM A7 ►

NXIVM leader urges going 'off the grid'

Ranieri disciples
have history of tax liens

By James M. Odatto

Keith Ranieri, the founder of NXIVM, receives no pay for his leadership of the human potential school, according to testimony in federal court, so his income tax liability is a mystery.

But when it comes to compensation his followers collect, Ranieri recommends against paying taxes, court testimony reveals.

In sworn depositions, Susan Dones, a former NXIVM trainer, and Barbara J. Bouhey, a former NXIVM executive board member, say Ranieri advises his close associates to get off "the grid" and avoid paying Uncle Sam. His recommendations have force, they say, and suggests they have been heeded by some people

close to Ranieri, according to public records, though it is unclear why Ranieri espouses this point of view.

Although the Internal Revenue Service will not discuss the cases, federal tax liens were filed against six women closely associated with Ranieri who hold key roles at the Albany County-based NXIVM. The documents, filed in the Saratoga County clerk's office, state these people, who all live near each other in the Halfmoon area, failed to pay each of thousands of dollars in personal income taxes for various years earlier in this decade. Three of the women have satisfied the liens.

None of the women responded to repeated requests for comment.

"Barbara Jeske, the highest ranking

member of NXIVM, brags about the fact that she's off the radar with the IRS and has not paid taxes for years," Dones testified. The IRS filed a lien against Jeske, of Clifton Park, in 2008 for the tax period ending in 2004. It calls for almost \$127,000. "I believe Barbara Jeske has adopted Keith's view of taxes," Dones said.

No record of Jeske resolving the matter has been filed. She submitted a June 2009 "notice of default" to the IRS declaring that since she had received no response to her May 2009 communication to the IRS she considered the federal government to be "in default." The notice she wrote referred to a 14-point explanation she submitted on why the IRS's lien was unenforceable and fraudulently recorded, and why she was off a release "immediately."

Bouhey, a former girlfriend of Ranieri, says in her deposition that Ranieri directed just about everything among the

NXIVM group. "There were a number of people in the group who he encouraged to ... get off the grid, meaning not to have a tax ID number, not to file their tax returns, so he had strong opinions about things that I think the government would take issue with," Bouhey said in her deposition.

Clare Bronfman, a NXIVM devotee who oversees its operations, said in an October trial involving NXIVM and Dones that Ranieri's spoken words are considered so valuable that they are documented by NXIVM because they could be turned into a new course of study at the school. But he gets no salary from NXIVM and no financial reward for the "modules" developed from his utterances, she said.

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▼ CONTINUED FROM A6

were Unterreiner and Cafritz — the key figures in Consumers' Buyline with Ranieri then. In 1998, they worked alongside Ranieri and others to create Executive Success Programs Inc., which would later become NXIVM. They remain key players in it today.

In an October 2009 deposition, Barbara Bouchey, a former NXIVM executive board member, depicts how people graduate in the ranks of NXIVM as coach, proctor, senior proctor or field trainer. Cafritz and Unterreiner were high in the hierarchy, according to several people familiar with the group. Although he holds no business title, Ranieri leads the company, they've said. It isn't clear if he receives any direct compensation, just according to former NXIVM instructor Susan Dones, who left the organization with Bouchey in 2009, his expenses are covered by NXIVM members and NXIVM President Nancy Salzman.

Bouchey said everyone making commissions was required to sign up for one of NXIVM's programs, called Ethos, which costs about \$2,000 annually.

Other NXIVM courses, called intensives, where students take concentrated workshops of a week or more, cost up to \$10,000 for five days.

Bouchey also testified that NXIVM emphasized recruiting or enrolling new participants with a concentration on people with "spheres of influence."

She told of 20 percent commissions for field trainers — "someone who has demonstrated the ability to be able to sell or enroll and be able to teach or

convince to do the same" — and went to a higher-ranking person, a proctor, and that more money, 30 percent, went to the corporation.

In a deposition, Dones said she asked Ranieri if NXIVM was a multi-level-marketing scheme and Ranieri would always evade answering the question, "Dones testified. Instead, she said, he often stated that "he believed that MLMs were unethical."

Ranieri said in a 2003 sworn statement that the New York court order does not restrict him from starting an MLM, it only enjoins him from participating in an illegal scheme. "I suspect everyone is permanently enjoined from this," Ranieri said in that statement.

In court testimony, Kim Woolhouse, Dones' partner and manager of a former NXIVM training center in Tacoma, Wash., called her personal investment in NXIVM "an issue of consumer fraud." She told a judge that she went into debt paying for more and more NXIVM lessons.

In the same case, in which NXIVM sued Woolhouse and Dones for violating their confidentiality agreement to protect NXIVM trade secrets, Dones refers to NXIVM leaders as untruthful. "The people that I believed in, and that I spent years selling to people, I found out were liars," Dones said.

Natalie says Ranieri was in key decisions but never wanted his name on the series of companies he helped create when she was his partner in the mid-1990s. That way, she said he explained to her, if regulators closed one company down its sister company could pick up where the other one left off. He also would refuse to open business or government mail because it would prove he had seen it, she recalled.

Ranieri stopped acting as a president or corporate officer and frequently became the creator or patron of for-profit and nonprofit ventures whose top officers were women involved in NXIVM.

The New York attorney

general's office denied a Times Union request for records collected about NXIVM under the Freedom of Information Law,

saying the documents sought

were compiled for law enforcement purposes" and "if disclosed,

it would interfere with our enforcement proceedings or investigations or trials before the people."

Jennifer Givner, a spokeswoman for Attorney General Eric Schneiderman, said: "While we can't comment on matters before our office, we encourage anyone with information related to these issues to contact us."

The AG has broad subpoena powers and the pyramid scheme statute treats distribution networks as marketing securities. That means any fraudulent scheme involving pyramids could also be outlawed by New York's Martin Act, allowing for both civil and criminal avenues of prosecution.

There are indications that investigators may already be interested. Blogger John Tighe, who for several months has regularly tracked NXIVM and Ranieri on his website, "Saratoga in Decline," said unknown computer users at the U.S. Department of Justice and the AG have monitored the blog.

"There is ample evidence to justify an investigation by the New York attorney general, given the past regulatory orders," said Douglas FitzPatrick, president of the consumer advocacy group Pyramid Scheme Alert, after reviewing Ranieri's business history.

FitzPatrick said experts, in general, are reluctant to be quoted about potential pyramid schemes because of the possibility of being sued.

Pyramid scheme organizations "are extremely bold and have very little fear of government," FitzPat-

rick said. "They're devices created by individual people, and they can be very litigious."

A fraud investigator with a forensic accounting firm, shown the consent order, deposition transcripts describing the NXIVM commission program and videos showing Ranieri discussing his two earlier companies, agreed that there are sufficient traits in NXIVM's business to warrant a probe, given Ranieri's professional history.

TIGHE "It certainly seems to resemble a chain distribution scheme, pyramid scheme, whatever you want to call it," said Christopher Rosetti, a former investigator with the state Inspector General's office, who is now with Colonie-based BST Valuation Forensic and Litigation Services.

This series

"Secrets of NXIVM: The untold story of Keith Ranieri," is the result of a more-than-year-long examination of the self-improvement guru and conceptual founder of NXIVM, which has attracted students from Vancouver to Mexico but remains rooted in the Capital Region.

The reporting includes scores of interviews and a review of business records, police reports and thousands of pages of court documents, which provide a window into Ranieri's world, but it comes without an interview with the elusive Ranieri, who did not respond to repeated attempts to get comment. It also lacks any response from the women who sur-

round him and serve as NXIVM's lifeline. They, and the lawyers who represent the organization, have refused repeated requests to speak with them.

The four-part series — which details the grasp of mind, money and body Ranieri has held over some followers — unfolds in print, online and with a special report for the iPad.

■ **Sunday:** An overview of Ranieri and his unusual life.

■ **Thursday:** Relentless litigation wrought against NXIVM defectors.

■ **Today:** Ranieri's multi-level marketing mind.

■ **Sunday:** A history of Ranieri's sexual conquests.

Compromise wins praise

TEACHER

▼ CONTINUED FROM A1

To get the federal funding, the new evaluation system must be completed and implemented by year-end. Unions and management of local school districts, including the vast New York City system, had been at loggerheads over the weight to give student performance on standardized tests and the appeals process for teachers who receive the lowest rating.

With that in mind, Cuomo said he would impose his own system in his budget plan if unions and department officials couldn't agree by Thursday — which marks the deadline for the governor's 30-day amendments, or final touches, to his budget proposal for the 2012-13 fiscal year.

The announcement followed an all-night bargaining session in which the warring sides appeared to compromise on two key issues. The New York City-based UFT and State Education Department agreed on a plan for appealing evaluations in which teachers scored poorly and might face firing, and NYSUT and the state resolved differences over the so-called local test portion of the evaluation.

Under the plan, teachers are evaluated on a 100-point scale: 60

points are based on classroom observations and student portfolios; 20 points come from scores that students get on a standardized state test; and another 20 points come from tests developed by the district or a third party.

Much of the fighting between the labor leaders and state officials was sparked by Cuomo's last-minute push to allow student test scores to count for up to 40 percent of an evaluation. Districts have the option to use state tests for up to 40 percent of an evaluation, but it must be bargained with the union.

Iannuzzi said the union would likely end the lawsuit if it filed last spring over the increased weight given to state tests once the new evaluation system is finalized.

Additionally, the State Education Department will now have to power over evaluations that are deemed insufficient. Unions and school districts will also develop a "curve" for the point system by which teachers and principals are rated. Educators will fall in one of four categories: ineffective, developing, effective and highly effective.

Those rated "ineffective" could be fired if they do not improve.

King down played the concerns of some school administrators that the evaluation system would add significant new work to the

strained staffing at many schools. He said the new evaluation system will also "dramatically change" the jobs of many principals for the better, by putting them in the classrooms where they can offer constructive feedback to their staff.

"The role of the principal is to provide their teams with instructional leadership," he said. "Principals should be spending significant time in the classroom."

So far, about 100 school districts statewide have agreed on evaluation plans and another 250 are close.

Still, questions remain about how the State Education Department will regulate this new system and whether it has the capacity to review and approve them all by the end of the year.

"Whether they are going to be able to approve these new evaluations as efficiently as it was described here today, I'm a little bit suspicious," said Tim Kremer, executive director of the state School Boards Association.

And Iannuzzi stressed that the relationships between school districts and their unions will still be a key factor in whether the evaluation plan goes smoothly.

"The ingredient you can't write in law is the ingredient of collaboration and trust" between unions and management, he said.

Under the plan, teachers are evaluated on a 100-point scale: 60

points are based on classroom observations and student portfolios; 20 points come from scores that students get on a standardized state test; and another 20 points come from tests developed by the district or a third party.

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PEGGY DUNN, 57, left, was killed in a car crash on Feb. 12, a day after her daughter, Rachael Keeler, right, age 40, died of liver disease. In this 2002 photo is Kaya, center, now 20, who will bury both on Friday.

DEATHS

▼ CONTINUED FROM A1

from the scene.

They were shielding her from seeing her grandmother's body and the crumpled wreckage of her Toyota Corolla. It had rolled several times and slammed into a tree.

On Friday, Kaya will bury her mother and grandmother. She made most of the dual arrangements herself. Two coffins will be placed side by side, joined by a white cross, and with matching sprays of purple flowers — Keeler's favorite color.

"The way Kaya is handling all this is amazing," said Stephen Keeler, Kaya's grandfather and Dunn's former husband. "I'm struggling to keep it together and she's showing remarkable fortitude. We told her she has the strength of her mother and grandmother combined."

The family does not know why Dunn's car drifted out of its lane and smashed a mailbox before it veered across oncoming traffic, flipped and crashed into a tree off the left side of the road. She was killed instantly. Results of an autopsy and toxicology tests are pending.

"We don't know if it was a heart attack, fatigue or overwhelming grief," her ex-husband said.

Dunn and Keeler, who married when they were teenagers, split up when Rachael was 2 years old. They worked together to rear their daughter. Rachael grew up primarily with her mother, Rovena. She dropped out of high school at 16 and left home to follow the Grateful Dead, crossing the country during the late 1980s.

She was a quintessential Dead-

head, a free spirit in tie-dye T-shirt and flowing gypsy skirt. She wore a bandana to tame a wild mane of frizzy brown hair that reached to the middle of her back. She found her place among kindred spirits.

"She made her mark in the Deadhead Nation," her dad said. "If you said 'Rachael' to any Deadhead, they knew who she was. She loved the camaraderie and the music and the way everyone loved each other."

After more than a year on the road, Rachael was severely injured in a car crash in San Jose, Calif. She died at 17.

After three weeks in a medically induced coma in a California hospital, she was transferred to Sunnyside Rehabilitation Hospital in Schenectady. Rachael had suffered a traumatic brain injury and spent two months in rehab.

Although she had difficulty concentrating and performing ordinary tasks, she went back on the road following the Dead for three more years before her disability forced her to come home, reluctantly, at age 20. She seemed lost.

Rachael gave birth to Kaya shortly after she returned home. "Having a daughter gave her a new direction," her dad said.

For the past 20 years, she was on disability and devoted herself to Kaya and making her daughter proud. She struggled to earn her GED and an LPN certificate. The brain injury prevented her from finding steady employment. She adopted a cat named Cali that hissed and scratched at visitors. Rachael was the only one to whom the cat showed affection.

Meanwhile, Rachael's mother was enduring struggles of her own. She worked for many years

as a nurse, but the job exacerbated chronic hip problems. She had to stop working and went on disability after four hip replacements and 30 operations.

Dunn's second husband, a firefighter, died several years ago and Dunn had to sell their house and move into a trailer. Despite her financial straits, friends came to her in their times of need.

"She had a great big heart and was always helping others," Keeler said.

When they were low, mother and daughter buoyed each other's spirits. They spoke by phone several times a day.

One of Rachael's friends from their Deadhead days flew from California when she learned Keeler was in hospice. The friend is now an investment banker and mother of two. The women reminisced about being part of Jerry's tribe.

Rachael requested that only Grateful Dead tunes be played on a bedside stereo. As she breathed her last, "Stop That Train" came on.

"Though I try to do my very best, I can't seem to find no happiness/Stop that train I'm leaving/Stop that train I'm leaving."

Kaya and Dunn held each other tight as the music played on.

On Friday, Kaya will bury the two women at the center of her life. She cashed an automobile policy to pay for her grandmother's funeral, the only insurance available.

Kaya is talking about moving into her grandmother's trailer. She is a certified nurse's assistant and hopes to go to nursing school.

"I'm going to make my family proud," Kaya said.

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PAUL BUCKOWSKI/TIMES UNION
GOV. ANDREW CUOMO hails the new teacher evaluation agreement in Albany Thursday by Richard Iannuzzi, president of New York State United Teachers, left, Michael Mulgrew president of the United Federation of Teachers and Commissioner John King, Jr. of the State Education Department.

WEATHER

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36° 18°
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SECRETS OF NXIVM

In Raniere's shadows



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GINA HUTCHINSON

Three girls, three women and their relationships with a man who became a reclusive international ethics guru

By James M. Odatto and Jennifer Gish

Women who have had sex with Keith Raniere say it was billed as a spiritual experience, a transfer of his godlike energy.

One said Raniere told her their union would make her see a blue light.

Another recalled him explaining a threesome would cure the pain of childhood molestation — that she could then start to view sex as just sex.

Last in the series. And in 1984, when a woman objected to 24-year-old Raniere having sex with her underage sister, the woman said Raniere explained her sister's soul was much older than her biological age. The girl was 15 or 16 at the time. But according to the man who came to view himself as an enlightened being, she was a Buddhist goddess meant to be with him.

More recently, members of his inner circle of women, some of whom work on behalf of NX-IVM and serve him sexually, told a woman that doing business with Raniere means sleeping with him, too.

Please see NXIVM A6 ▶

KEITH RANIREE has transformed through the years from child prodigy to college graduate to entrepreneur to intellectual leader of Executive Success Programs Inc. in Albany County.

RANIREE PHOTO BY PATRICK DOODON/SPECIAL TO THE TIMES UNION

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★★★

St. Peter's is your
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REGION Canonization date set for
two New York women/D1

COUPONS WORTH \$69*

INSIDE TODAY

*NOT ALL COUPONS IN

EVERY EDITION

A clash of views on city schools

A contentious battle rages over the future of education for children in Albany

By Scott Waldman

CLIFTON PARK — To hear Albany school officials tell it, a well-funded and powerful industry growing in a Clifton Park office building is dedicated to dismantling the city district.

But to Tom Carroll, the man behind that so-called industry, it's not an assault launched on city schools from the suburbs, but simply an effort to encourage educational choice for Albany parents.

Whichever view one takes, it is clear that the battle to fill classrooms in Albany's minority neighborhoods increasingly is being waged between Albany school district administrators on one side and, on the other, mostly white and wealthy conservative activists, many of them hundreds of miles from the city.

Albany school board President Dan Egan says the goal of Carroll and the people who finance the 11 charter schools he helped found in Albany is to see the district fail.

"They're trying to privatize education in the same way Blackwater is trying to privatize the U.S. Army," he said, referring to the private military contractor. "That's not good for our community or our society."

Carroll, whose career began in Republican politics before he turned to the charter school movement, says he has opened schools only when they are needed and created organizations to support them.

"The goal all along is to create enough charter schools to meet the demand of parents," he said. "There's always a willingness to open more schools if there is demand."

Carroll has long been the district's most steadfast competitor and helped bring to Albany one of the highest densities of charter schools in the nation. But in the last year, three separate non-profit organizations, all connected to Carroll, have intensified the charter battle with the district. It's a new direction in an old fight: Charter schools and district schools have scrapped over Albany's 10,500 public students for a decade.

Both sides have shown that they are

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This story is available only in print.

media platform to check out what's trending in Hollywood, and the real world, learn about breaking news items like Whitney Houston's death, comment on TV shows and chat with friends — and celebrities.

The best part? Twitter looks like their favorite medium — texting.

Tweeting is like sending a blast text to an infinite number of people. And, since 13-to-17-year-olds send and receive an average of 3,705 texts per month, according to The Nielsen Company, it makes sense

this would be a comfortable transition.

Last July, about 16 percent of 12-to-17-year-olds used Twitter. That number doubled from 8 percent in two years, according to a Pew survey. Only about 13 percent of adults are on the site. Back in 2010, they were also the 8 percent mark, according to Pew.

And they can do it all from their smartphone.

At least one expert says it may even be better for them.

William J. Ward, a social media

professor at the S.I. Newhouse School of

Please see TEENS A10 ▶



TIMES UNION PHOTO ILLUSTRATION



St. Peter's Hospital
A Member of St. Peter's Health Care Services

525-2227

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At age 12, she said, 'he took my innocence'

NXIVM

▼ CONTINUED FROM A1

Raniere, the 51-year-old founder of NXIVM, a business built on self-improvement, claims to have one of the world's highest IQs. He holds three degrees from Rensselaer Polytechnic Institute. His round face is framed with a salt-and-pepper beard. At about 5-foot-7, he no longer possesses the body of the dedicated weight-lifter he once was, and he has an affection for baggy shirts and sweatpants.

Yet former follower Susan Dones described during a November 2010 deposition in her bankruptcy case how Raniere pursues many women and how those closest to him insist no one owns his body.

Today, two women who had sex with him when they were just girls, the sister of a third underage partner of Raniere's, and some of Raniere's former adult lovers have come forward to tell their stories.

They've said he is more than just a man with an endless sexual appetite.

They've said he needs to be stopped.

One woman, whose name is being withheld for this story, was just a girl in 1990, a 12-year-old with feathered bangs and long blond hair who was trying to adjust to a new life following her parents' divorce and a move from the country to Clifton Park. Her mother was a saleswoman for Raniere's members-only buying club, Consumers' Buyline Inc., and was trying to raise two daughters.

She recalled her mother saying Raniere was "an Einstein" Consumers' Buyline, which Raniere ran through the first half of the 1990s after he left a job as a computer programmer for the state Division of Parole, was the kind of place where managers kept late hours and the culture was informal. Raniere would call staff meetings to deliver sometimes tearful, emotional messages. He frequently showed a film about a man who plants seeds in the desert to build a forest. He suggested he was that type of noble cultivator of people.

The girl was a seedling, a kid who thought of boys as schoolyard playmates. She hadn't even started a seventh-grader's crush on New Kids on the Block.

When Raniere offered free tutoring, the girl's mother jumped at the opportunity. At the same time, that girl has recalled today, one of Raniere's longtime girlfriends, Pamela Cafritz, hired her to walk a dog twice a day.

Cafritz encouraged the girl's visits to the townhouse she and Raniere shared with other women. And Raniere showered the girl with attention. She said he urged her to talk about her life. He gave her a necklace — a heart with a stone in it.

The girl had braces and bright eyes, liked to climb trees and play with Matchbox cars. Raniere was almost 30 and dressed in business suits. He was boasting of selling at least 250,000 memberships nationwide.

He was supposed to teach her Latin and algebra. Instead, she said, he told her she hugged like a child, her arms wrapped around him, but her hips pushed away.

He taught her to hug the way adults do, pelvis-to-pelvis.

He took her virginity.

The girl liked being able to hang out with Raniere and the women around him. She thought she was just part of fitting in.

"They told me I was smart and took an interest in me; they let me spend every afternoon at their house," she said. "It was exciting to be somewhere where people wanted me. I was perfect picking — insecure at the time... To have someone that mature and that well thought of to be interested in me, it was flattering. I was young, inexperienced, overwhelmed, out of my league."

Even though the girl was several years shy of the legal age for sexual consent in New York, which is 17, Raniere continued to have sex with her not only in his townhouse but in empty offices, in an elevator and a broom closet at the plaza that housed Consumers' Buyline, she said.



PAMELA CAFRITZ, center, allegedly hired the 12-year-old daughter of a Consumers' Buyline worker in 1990 to walk her dog, after which Keith Raniere, the girl now says, drew her into a sexual relationship. Police declined to pursue the case years later. With Cafritz here are Sara, left, and Clare, right, Bronfman, financial backers of NXIVM and Raniere, leaving the Dalai Lama's 2009 visit to Albany, which the Bronfmans arranged.



JAMES M. ODATO/ALBANY TIMES UNION
GINA MELITA, who said she lost her virginity at age 15 to Keith Raniere, met him when they performed together in an RPI theater group. Raniere, she said, told her he was a genius and a judo champion.

But after several months and about 60 sexual encounters with Raniere, she said, her emotions had changed. She started skipping school and running away from home. He lived nearby, and as her uncertainty about the relationship grew, she didn't feel safe at home.

It wasn't until 1993, about two years after their relationship ended, that the woman reported the sex with Raniere to police.

Her mother confirms the story and backs up her recollections of how she was introduced to Raniere. The alleged underaged victim, now a mother herself raising children with her husband in the Capital Region, did not have an unusual response to childhood abuse, said Maureen McLeod, a Sage Colleges mental health professor who teaches criminal justice, since every victim has a different way of handling trauma.

Sometimes, when they share pieces of their story with friends, family or co-workers, they're accused of lying, and they shut down.

A school district document from the time shows the woman had received counseling for victims of sex abuse before deciding to file a State Police report, which she also kept. It's the only record of the report, since State Police officials said complaint documents from the 1990s have been purged.

The matter may have never been forwarded to prosecutors because the girl refused to wear a wire and confront Raniere to capture incriminating statements, and the report came years after the alleged incidents, offering no opportunity to collect forensic evidence. Thomas Constantine, who was State Police superintendent at the time, has no recollection of the case and said it likely was never shared with prosecutors.

The girl didn't want to see Raniere again and didn't think he would fall for a police plan to have her wear a wire, a request legal experts said would rarely be made of an underage victim today, but which was more common at a time when minors were considered shaky witnesses. She finally signed a waiver saying the claim Raniere had sex with her was true but that she was not pursuing charges. Her mother kept a copy after.

After her initial complaint to police, the woman spent 20 years working to feel comfortable in relationships.

"I took my innocence," she said. "I can never get that back."

The statute of limitations has long expired on the woman's case, but she said she has dreamed she may one day be part of a civil suit against Raniere if other women come forward with similar stories.

In 1984, when Raniere was living in apartments in Troy, he met Gina Melita, a 15-year-old from Cohoes who performed with him in an RPI theater group that included members of the community.

Melita was a precocious girl with an independent streak and a longing to find meaning. Before she met Raniere, she had explored being a born-again Christian. She kept journals and wrote poetry and thought school was holding her back from discovering what life was about.

She and Raniere, then 24, went to arcades together, where he liked to play Pac-Man and a game called Vanguard, in which destroying enemies increases the fuel in the player's tank. He described himself as a genius and a judo champion. She thought it was cool to be with an older, smart guy who might help her graduate from high school early. He took her virginity in a dark room, her T-shirt left flecked with blood.

control followers. Outspoken among experts willing to share their opinions on NXIVM is Rick Ross, a cult tracker who has examined and spoken about NXIVM so extensively it spawned a lawsuit from Raniere for publicizing portions of NXIVM's training program. Cult leaders "have sex with their followers and it has as much to do with power and control as it has to do with sex," Ross said.

In the final years of the Branch Davidian sect in Waco, Texas, Ross said, David Koresh used sex to control the compound.

"He specifically broke up the group so that women who were married had to submit to him and their husbands did not have sex with them," said Ross, who had federal officials consult with him on the Branch Davidian sect. "The only people who had sex in the Davidian sect were David Koresh and the women... He demanded they be rail thin, that they go on a diet to be as thin as he wanted them to be... This points to the issue of power and control that the cult leader would have over the group."

Raniere, according to former followers, likes the women who surround him to keep their hair long. He has stressed the importance of a vegetarian diet and has subtly suggested if they don't eat well and exercise, it drains his own health. He has convinced them thinness is essential.

Raniere has instructed his inner circle of women that to be "evolved" or "empowered" is to let go of conventional ideas and attachments in relationships. Sex, the women closest to him have been told and later explained in court testimony, is no different than playing the violin or tennis.

And when women try to break away, the inner circle sometimes tries to lure them back.

Svetlana Kotin, who once ran a physical therapy business beside NXIVM headquarters, ended her intimate relationship with Raniere after deciding she didn't want to be one of many women in his life. In an October 2009 deposition filed in federal court, Barbara Bouchey, a former NXIVM associate and one of Raniere's ex-girlfriends, explained how the circle of women closed in on Kotin.

"[They] started to come in to mentor [Kotin] and tell her that it was her destiny, that Keith couldn't start a business with her unless she was in an intimate relationship with him, and that was her issue and an attachment, and she needed to work [on] this, and if she were to leave that she might kill him because he was now intimately connected with her."

The women in Raniere's life are often smart, attractive, well-spoken and hold college degrees. But many arrive at Raniere's feet with emotional baggage, including bad relationships or troubled childhoods.

"The process of involvement and control is gradual," Ross said. "There's a spoon-feeding process, constant emphasis on the special nature of the leader, the aura of power and intellect of the leader. ... It's not unusual for women or men to fall in love with their therapist. With cult leaders, there are no

Please see NXIVM A7 ►

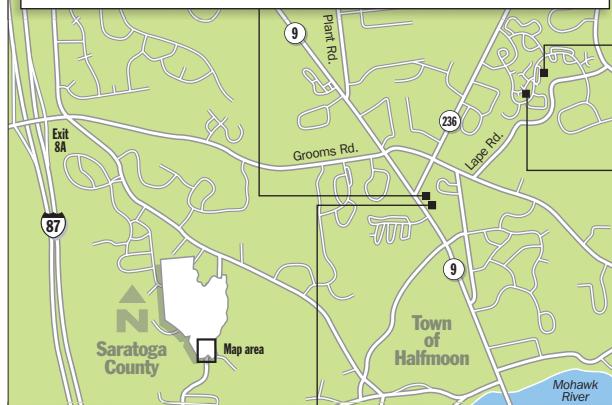


GINA HUTCHINSON in her teens. Not long after, at age 15 or 16, she'd begun a sexual relationship with Keith Raniere, according to her sister. Years later for reasons unknown she committed suicide at a Buddhist temple in Woodstock.

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The former Apropos, on Route 9 in Clifton Park, is now controlled by a NXIVM entity and serves as a meeting place and site for NXIVM socials.



This string of townhouses on Flintlock Lane in Clifton Park house Raniere and some of his closest devotees



This similar string of townhouses include three addresses on Hale Drive, Clifton Park, used by NXIVM devotees, including Raniere.



The former Rome Plaza, now Crescent Commons on Route 9, Clifton Park, was the home of Consumers' Buyline and a site of sexual trysts.



Keith Raniere, conceptual founder of NXIVM, is alleged to have had a sexual encounter with a minor in an elevator near his former Clifton Park office in the 1990s.

NXIVM

▼ CONTINUED FROM A6

boundaries. ... You see the leader in godlike terms, and it's difficult to refuse anything that the leader wants.

"As I see it, people are essentially broken down, made very pliable, very malleable, it makes them an easy target for someone like Raniere," Ross said. If Raniere had approached a woman cold, Ross said, "gone up to her in the supermarket and said, 'I'm a great intellect. I want you to give me your money and have sex with me ... She would slap him. This is a process."



COURTESY TIMOTHY FIELDING

CHRISTINE MARIE

Christine Marie, a blonde beauty who wore the Mrs. Michigan sash in 1995, was running a children's educational material business and was a divorced mother of four when she hopped a train from Michigan to Albany with her 10-year-old daughter to meet Raniere. That was in 1998.

She had converted from Methodism to Mormonism in high school. But even though she married a Mormon and went to Brigham Young University for her psychology degree, she never felt like the faith was the right fit.

By the time she was on her way to meet Raniere, the Mormon church had excommunicated her for dating another divorcee.

Raniere wore aviator glasses she thought were out of style, jeans and a T-shirt. She didn't find him attractive at first. But he was charismatic and smart, and the circle of women around him confirmed what he had been telling her: He was a highly evolved human being.

She found him gentle and wise, recalling him as a "calm master who never gets ruffled."

She said Raniere praised her for homeschooling such an advanced child and told her she was a gifted educator. Marie remembers him assuring her she would play a

profound role in this world.

She was hired to write marketing materials for National Health Network, Raniere's follow-up project to Consumers' Buyline, and later for Executive Success Programs, which would ultimately become NXIVM.

"Keith made me feel precious to him. He touched me gently on the side of the face and told me that I was such an innocent, pure soul that I didn't even belong on this planet," she said. "Keith explained that it might help me if I would be physical with him."

He explained how there was a profound event that would often happen to the women he became intimate with him, sometimes they would even see a blue light ... Ultimately I agreed to be intimate with Keith, and it was just as I said. I even saw a blue light, but I don't think I told him so. I remember thinking, 'Wow, my brain is really susceptible to the power of suggestion.'

After she slept with Raniere, she said, "sat me down and told me I was now part of his inner circle and committed for life and I could never physically involved with another man."

She said Raniere had suggested they become intimate the first time they'd met. He explained she didn't have to be in a relationship to have sex, that skin was just skin. Another woman recalled him saying it, too, philosophizing that touching a man's penis was no different than stroking his forearm.

When she asked Raniere if he was involved with other women, Christine Marie remembers being surprised when he said he was. Then she saw that many of the women in Raniere's inner circle — which at least one former follower has referred to as a "harem" — shared his townhouse.

"I found it fascinating that these beautiful, smart women knew about each other and didn't seem

upset to share Keith. I thought they were all extraordinary women," Christine Marie said. "Still, it seemed like secret polygamy to me, and I remember feeling sorry for them, too. As I understood it, they had to share the man they loved, they couldn't publicly celebrate their love with a wedding, they couldn't be with any other man, and they had to sacrifice a normal family life for what they believed was a higher cause."

On her second visit to Raniere's office, she said he spoke of higher causes.

"I remember him looking me in the eyes and touching me on the cheek and saying one day we'll have a child together, and the child would be an avatar and the child would help change the world," she said. "It's a very hypnotic thing."

She recalled Raniere telling her she'd have a profound dream, and in it she'd see the face of the man who destined for her.

She had the dream, but the man wasn't Raniere.

In 2000, she moved to Utah, planning to rededicate herself to Mormonism. She said she soon met the man whose face she saw in her dream. He was a Utah cult leader who forced her to pass tests of faith to prove she was celestial, including funding his humanitarian organization aimed at eliminating poverty.

When she felt she had to break away from the man, she called Raniere for help. He flew her to Albany, where she was housed by a NXIVM member and where Raniere explained how the Utah cult leader "was actually a supreme parasite who was taking advantage of me, who was attracted to my light and wanted to destroy me while benefiting from my life work. Keith wanted me to understand that I was being exploited by a cult leader who was nothing more than a con artist. He

made a lot of sense."

She went back to the Utah prophet once more before breaking away for good. Raniere urged her to move to Albany, she said, where they would help her establish a business, and she would be protected in a circle of "ethical people."

"I was leery of going from one male guru directly to another. Furthermore, I knew I was psychologically vulnerable. I was diagnosed with PTSD, and I was worried about my children. I could not leave them in such an unstable situation during that critical time. [Raniere's business partner] Nancy Salzman could not fathom why I would make my family my priority when I was so desperately in need of their thought-reform program. I felt an intense amount of pressure to go. But in the end, I did not go. I did not join NXIVM, and I did not become part of Keith Raniere's inner circle."

■

Toni Natalie was in a good marriage and was raising a young son when Raniere invited her to the Clifton Park headquarters of Consumers' Buyline, where she had become a top seller and had built a large network in the Rochester area.

The first time Natalie visited, she heard Raniere's inner circle of women asking, "Is she family? Is she family? Is it her? Is it her? Is she the one?"

Natalie thought it was strange. But they seemed like rich college kids to her. She figured that's just the way bright young people acted.

She was a classic beauty, with long dark hair, a supermodel's checkbones and full, wide lips.

She was also a high school dropout, who was drawn in by Raniere's offer to have her head up a new skin care line he was launching called Awaken.

He made Natalie feel smart. He made her feel important.

"He's an amazing listener. He listens, and he watches, and he fills that hole," Natalie said. "He becomes everything you want and need and more. He fills every void."

Said Natalie asked her a lot of questions about her relationship, and eventually convinced her that her then-husband was sleeping with their nanny, something she knew now was absurd. She said he told her she should move and he would help with her relocation.

She had viewed him as someone who could help her. She remembered how he counseled her through childhood molestation issues by making her repeat the memories to him in detail.

And he once tried to convince Natalie that a threesome would heal her from those memories that haunted her, she said. It would last, she remembered him telling her, allow her to view sex as just sex.

Another time, when her conservative Catholic upbringing made her reluctant to engage in oral sex, she was invited to attend a class Raniere created on the subject.

Natalie said he told the students, including Natalie, that mothers in some developing nations perform oral sex on their children to soothe them. She suspects the class was organized just for her.

It took Natalie almost nine years to realize she could never have a normal life with Raniere, that he never would be a dedicated partner who could help raise her son.

But the breakup with Raniere wasn't a typical one.

He sent her a six-page typed letter that was as condemning as it was heartfelt. Although it opened with softness, requesting that while she read the letter she hold the enclosed white rose and play the soundtrack he'd recorded for her, her paragraphs later he also warned she might end up in jail.

"I told you that you could have absolutely everything you wanted once you grew. I pledged — at all costs — to help you do this: overcome your neediness and open your heart through growth. I did not tell you exactly what growth was because it was something that had to come from you. Now I will explain. Growth was simply

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3 things. 1. You had to open your heart again to the person you took. You would then never be dependent on others or need others to do things for you (he 'do for's) to make you feel good. 2. You had to apologize sincerely for what you had done. 3. You needed to learn to trust yourself so you could trust me completely."

"I gave you the name 'Tookie' so that you might realize the first thing and waited patiently over the years for the day when you would say, 'Oh Keith, I am truly sorry about what I did, I was wrong.'"

Later in the note, Raniere accuses Natalie of hiding "business and money," allegations she denied and has never been charged with, and writes, "... I later discovered this path leads to not very nice things for you and it appears my Sweetheart may well go to jail. I pray this does not happen but I don't think my Sweetheart has anyone to help her where she is."

She still has a timeline of her demise that Raniere sent, warning her that she was making a huge karmic mistake. She recalled the women in his inner circle showing up at her doorstep, insisting she must come back to Raniere because she was killing him and destroying everything for everyone by walking away.

She fled to Florida in an RV for six months, thinking it would end and she could start over when she returned.

Instead, NXIVM held up her bankruptcy in court with motions and filings for nearly eight years and recently subpoenaed her as it pursued a mostly unsuccessful breach of confidentiality case against former NXIVM trainers Susan Dones and Kim Woolhouse.

In August, Natalie claimed Raniere sexually attacked her before she left him in 1999, according to a court filing. NXIVM's lawyers called the Natalie claims "scandalous, immaterial, and impertinent."

Natalie's allegation came up after Dones and Woolhouse said they broke away from NXIVM after they found out Raniere was sleeping with members of the NXIVM executive board and considered his behavior a conflict of interest.

Natalie wrote to the federal judge that she "was raped repeatedly by Raniere, each time with him telling me it was harder on him than it was on me, that we needed to be together so that I could share in his energy, and that I needed to remain silent so as to not wake up my child who was sleeping in a nearby room."

Natalie and the other women speaking out said sex with Raniere wasn't a spiritual experience. It was something much darker, a way to melt them down and cast them into a mold he created.

Raniere's NXIVM continues to thrive from its Capital Region headquarters, drawing new believers from across North America. They'll pay thousands for a shot at personal growth, but some of those who have bought in with mind, money and body say the cost could be greater.

Secrets of NXIVM was produced over more than a year by an investigative team led by Senior Editor Bob Port. The stories were primarily reported by James M. Odato and written by Jennifer Gish and Odato with research director Sarah Human Ryan, multimedia journalist Yi-Ke Peng, senior writer Brendan J. Lyons, staff and freelance photographers, graphic artists and several editors including, Executive Features Editor Tracy Ormsbee and Vice President and Editor Rex Smith.

This series

"Secrets of NXIVM: The untold story of Keith Raniere," is the result of a more-than-year-long examination of the self-improvement guru and conceptual founder of NXIVM, which has attracted students from Vancouver to Mexico but remains rooted in the Capital Region.

The reporting includes scores of interviews and a review of business records, police reports and thousands of pages of court documents, which provide a window into Raniere's world, but it comes without an interview with the elusive Raniere, who did not respond to repeated attempts to get comment. It also lacks any response from the women who sur-

round him and serve as NXIVM's lifeblood. They, and the lawyers who represent the organization, have refused repeated requests to speak with them.

The four-part series — which details the grasp of mind, money and body Raniere has held over some followers — unfolds in print, online and with a special report for the iPad.

■ Sunday: An overview of Raniere and his unusual life.

■ Thursday: Relentless litigation wrought against NXIVM defectors.

■ Friday: Raniere's multilevel-marketing mind.

■ Today: A history of Raniere's sexual conquests.



KEITH RANIERE in the early 1990s. "It seemed like secret polygamy to me," a one-time friend said.

TONI NATALIE